Daily Report

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Warsaw Pact Meeting in Bucharest 7-8 Jul

LD0407192189 Budapest MTI in English
1642 GMT 4 Jul 89

[Text] Moscow, July 4 (MTI)—The Political Consultative Committee of the Warsaw Treaty member states is to meet in Bucharest on July 7 and 8. The meeting will provide an opportunity for the leaders of the delegations to exchange views on other themes, and it cannot be excluded that the issue of bilateral relations between Hungary and Romania and Hungary and Czechoslovakia will be discussed, said Yuriy Gremitskikh, Soviet foreign affairs spokesman, in answer to a question of MTI's correspondent. Bilateral relations between the individual Warsaw Treaty member states may be discussed at direct talks between the leaders of the delegations, he said.

Mr Gremitskikh said that the points on the agenda of the Political Consultative Committee session include the reception of the disarmament proposals put forward by the Warsaw Treaty member states, issues of nuclear disarmament and European cooperation, and the strengthening of peace and mutual confidence.

GDR, CSSR Premiers To Sign Accord in Poland

To Sign Environmental Pact

LD3006222189 Warsaw PAP in English
1948 GMT 30 Jun 89

[Text] Warsaw, June 30—A meeting of premiers of Poland—Mieczyslaw F. Rakowski, GDR—Willi Stoph, and Czechoslovakia—Ladislav Adamec will be held in Wroclaw on July 1, 1989.

At the meeting, the premiers will sign a tripartite agreement on cooperation in environmental protection.

Premiers Sign Accord

LD0107205189 Warsaw PAP in English
1936 GMT 1 Jul 89

[Text] Wroclaw, July 1—An agreement between Poland, Czechoslovakia, and the German Democratic Republic on cooperation in natural environment protection was signed at the initiative of the Polish side in Wroclaw today.

The agreement was signed by: Chairman of the Council of Ministers of Poland Mieczyslaw F. Rakowski, Chairman of the Federal Government of Czechoslovakia Ladislav Adamec, and Chairman of the Council of Ministers of the GDR Willi Stoph.

The agreement, based on principles and goals stemming from treaties on friendship, cooperation, and mutual assistance is an unprecedented solution. This is because the agreement deals in a complex manner with issues of environmental protection and rational use of natural resources in the three countries, as well as commitments to prevent further degradation of the natural environment, particularly in border regions. It also envisages cooperation in planning, annual and five-year, in the field of undertakings limiting air, soil, forest and water pollution.

Also stressed were issues relating to the protection of air, forests and waters against the destructive operation of poisonous gases, mainly sulphur dioxide and phosphorous oxides. This is because the agreement obliges the sides to constant monitoring of air cleanness by institutions set up for this end. They will be supervised by a commission of government plenipotentiaries set up under the tri-partite agreement with an eye to making sure the provisions of the agreement are put into effect.

After the agreement was signed, the premiers stressed in their addresses that good will to cooperate, with a view to clearly improving the state of the environment—which is the common good of the nations—was the foundation of the agreement. The implementation of the adopted plans will not be an easy matter, but good-neighbourly relations and traditional friendship are a guarantee of their success.

Premiers Praise Accord

LD0107205789 Warsaw PAP in English
1853 GMT 1 Jul 89

[Text] Wroclaw, July 1—Following are excerpts of speeches delivered by the premiers of Poland, Czechoslovakia and the GDR in Wroclaw today:

Mieczyslaw F. Rakowski:

I would like to once again cordially greet you and your associates and thank for your acceptance of an invitation to jointly sign in Poland a tripartite agreement between the Governments of Poland, Czechoslovakia and the GDR on cooperation in natural environment protection.

The degradation of the environment in south-western Poland: Water, soil and air pollution have reached a catastrophic state In this region, already 7 thousand hectares of woods have died out and a further 100 thousand HA are seriously threatened. Subsequently, a real threat has surfaced of ecologic balance being tipped and the region turning into a desert.

On our part, we wish to fully and honestly implement the adopted obligations.

We are aware that the implementation will not be easy, that it will require significant efforts, sustaining considerable cost and investment outlays. This is however a necessary effort which we must jointly make both, in the interest of societies of our countries, as well as all of Europe.

We must not forget that irrespectively of matters which we have agreed upon in the framework of the tripartite agreement, there are many pressing problems which still wait to be solved, both on a bilateral and multi-lateral planes.

Ladislav Adamec:

The Government of Czechoslovakia deems the signing of the tripartite agreement on cooperation in the field of environment protection as a significant contribution to the strengthening of our traditional cooperation.

Czechoslovakia is an advocate of an active and conscious approach to the implementation of the idea of a central Europe more safe from the ecologic point of view. We speak in favour of coordinating care for cleaner air and water, for more greens, for healthy man in a live organism of nature.

Our signatures and decisions relating to the introduction of the agreed intentions create good foundations for a betterment of the situation. Not only in border regions but on a broader scale. We are convinced that more clear progress can be achieved on ecologic matters only through close cooperation within the framework of the central-European region and gradually the whole continent. We deem the agreed agreement as the next step to the implementation of the Czechoslovak initiative of deepening comprehensive cooperation in environmental protection between our seven bordering states.

Willy Stoph:

The Government of the German Demcoratic Republic treats the signatures on the agreement between the governments of the GDR, Poland and Czechoslovakia on cooperation in the field of environmental protection as a significant event in the relations between our three socialist states, closely linked through multilateral cooperation in spheres of politics, the economy, science and culture. The new agreement opens a new field of cooperation in the ecologic field which is gaining growing importance. The development of tri-partite cooperation to maintain, use and protect nature will contribute to a betterment of the condition of environment, to an increase in the efficiency of the national economies of our countries and to an improvement of the working and living conditions of our nations. The German Democratic Republic treats the agreement as an expression of the steadfast will of the communist and workers' parties and governments of our states to contribute—along a road of joint utilization of national potentials and sources, a road of deepening scientific-technical and economic cooperation—to the maintenance and perfection of ecologic balance in our countries and central Europe.

Official on Postponement of CEMA Session

AU0307122289 Budapest MAGYAR HIRLAP in Hungarian 27 Jun 89 p 5

[Interview with Peter Szonyi, head of the international apparatus of the Council of Ministers, by "L.B.": "Why Was the CEMA Session Postponed?"—date, place not given]

[Text] In its current form, CEMA is hindering economic development, rather than advancing it. Therefore, a radical change can no longer be delayed. This question would probably have also been on the agenda of the regular CEMA session planned in Sofia for this week, had it not been postponed. We asked Peter Szonyi about the reasons behind this postponement.

[Question] In your opinion, what could be behind this postponement?

[Szonyi] According to the official text, this decision came at the request of several countries. There is nothing in the text about the reasons behind this request.

[Question] Reference to the official text suggests that there is an unofficial version too. Is it possible that the decision to postpone the session derived from differences of opinions about the further development of the CEMA mechanism?

[Szonyi] I do not think so. All the more so because a review of the operational mechanism was not an individual point on the agenda. We think that, due to the session of the Soviet Parliament—which is preparing to decide on the appointment of 57 ministerial positions—Nikolay Ryzhkov would be unable to participate in the CEMA session, and this is the reason for its postponement. As for the other countries among the "several countries" that requested postponement, we cannot give any hints. Perhaps Poland is also among them....

[Question] What would have been on the agenda?

[Szonyi] The evaluation of the period that has passed since the last meeting; the analysis of the state of the comprehensive technological program and its further development; and preparation of the next plan period.

[Question] Has a new date already been set?

[Szonyi] An Executive Committee session is expected to take place in September, and the debate on the current agenda points could take place at the beginning of October.

Congress Resolution on Human Rights in SFRY

AU0407134989 Tirana ATA in English
0946 GMT 4 Jul 89

[Text] Tirana, July 4 (ATA)—The House of Representatives of the U.S. Congress adopted recently a resolution regarding the violation of human rights in Yugoslavia, and particularly the violation of the Albanians' rights and the violence exercised against them in Kosovo. After pointing out that it is proved that there are many cases of the violation of human rights, including the freedom of gatherings, speech and press, etc., the resolution stresses that these violations are addressed towards certain provinces and ethnic groups, and particularly towards the Albanians in Kosovo Province. These violations to which the recent actions for the limitation of social and political autonomy of Kosovo, are added have brought about a crisis in that province.

The Yugoslav Government reacted towards this crisis through the interference of the police, causing the death of many people, injuring and imprisonment of hundreds of others, the resolution stresses. It points out that the abuse with the human rights violate the lofty ideals of mutual equality, dignity, and fraternity among all the nations and nationalities of the country, which has been a basic principle of the SFR of Yugoslavia since 1945. These actions, the resolution draws attention, have been condemned also by the European Parliament.

The resolution demands that the U.S. Congress expresses its serious concern for the actions undertaken by the Yugoslav Government, for the repeated violations of human rights and for the use of violence in Kosovo. The Congress, the resolution emphasizes, should ask the Yugoslav Government to adopt all the necessary measures, so that there is no more violence and bloodshed in Kosovo, and it fully respects its international obligations on the basis of the Final Act of Helsinki and the UN statement of human rights for the protection of the rights of the Albanians and of all the other ethnic groups in Yugoslavia. It is also demanded that these concerns of the Congress be expressed, through respective channels, to Yugoslavia's official representatives.

Politburo Decision on Supporting Mass Initiative

AU0407193189 Tirana Domestic Service in Albanian
1800 GMT 4 Jul 89

["Decision of the AWP Central Committee Politburo on Supporting and Promoting Revolutionary Movements of the Masses"]

[Text] The Albanian Workers Party [AWP] Central Committee Politburo is following with particular interest the revolutionary movements undertaken in this jubilee year of the 45th anniversary of the liberation by the working masses for the fulfillment and overfulfillment of planned tasks. The Politburo appreciates these movements as a reflection of the determination of the masses to advance the implementation of the historic decisions of the Ninth AWP Congress.

The Politburo notes with satisfaction that these actions, initiatives, and movements, which are initiated in vanguard collectives, are being embraced and spreading rapidly in numerous enterprises, cooperatives, branches of the economy, and districts.

Everywhere, Communists, cadres, and vanguard specialists are leading these movements with a militant spirit. Congratulating the promoters of these initiatives, taking into consideration their importance for the prefulfillment and overfulfillment of tasks in all fields, the AWP Central Committee Politburo:

1. Recommends to all party organs and organizations, state and economic organs, and mass organizations to adopt the necessary measures to lead and further promote these inspiring and revolutionary movements; to stimulate their extension in all work and production units in accordance with their concrete conditions and tasks, supporting the creative initiative of the masses and opening up the way to advanced experience;

2. Calls on the Communists, cadres, vanguard specialists, innovators and rationalizers to place themselves in the lead in all the most difficult fronts in sectors, factories, production units, and brigades where the pace is lagging behind, in order to bring them to the level of the more advanced within a short time. This movement must also include the scientific workers, from whom a greater involvement is required in resolving various technical, technological, and economic problems; the district party committees are to report the first concrete results by the end of September and the final results for 1989 by the end of December;

3. Instructs that the propaganda organs stimulate and report these movements in the press, radio, and television, help to spread them, and inspire the working people to undertake new actions and movements.

The AWP Central Committee is confident that the vanguard workers, cadres, and communists will respond to the party's instructions with enthusiasm and that, inspired by the atmosphere created by the successful conclusion of the Sixth Congress of the Democratic Front of Albania, will redouble their efforts to strengthen the economy, culture, and the defense of our socialist homeland.

Ideological Review Carries Alia Article

AU0307114289 Tirana ATA in English
0745 GMT 3 Jul 89

[Text] Tirana, July 3 (ATA)—This year's issue of the review POLITICAL SOCIAL STUDIES, organ of the Institute of Marxist-Leninist Studies under the Central Committee of the PLA [Albanian Workers Party], came off the press and was put into circulation.

This issue carries for the first time, in the feature "Unpublished Documents of the Party," Comrade Ramiz Alia's contribution in the meeting of the Secretariat of the CC [Central Committee] of the PLA of March 13, 1989 entitled "Constructive Debate Brings About Stable Formation."

From the scientific session on the topic "Perestroyka—Antisocialist Theory and Practice" it is published the speech of Comrade Foto Cami, member of the Political Bureau and secretary of the party Central Committee, and two out of four reports submitted to this session.

The feature "Studies and Study Articles" carries several study articles amongst which the one entitled "Problems of the Economic Theory and Policy in the Current Stage of Development of our Country" written by Prof Hekuran Mara, and that entitled "Aspects of the Waging of Class Struggle in the Current Stage and of the Role of the Subjective Factor" written by the candidate of sciences Zana Aliaj, etc.

The feature "Scientific Life" has chronicles on the extended meeting of the Academy of Sciences, the scientific session on the topic "Perestroyka—Antisocialist Theory and Practice." At the end the review carries the bibliography for the new political social publications.

Comparison of Alia Address to Democratic Front

AU0307163289

Tirana BASHKIMI in Albanian on 27 June carries on pages 1-3, a 5,000-word speech by Ramiz Alia, first secretary of the AWP Central Committee, at the Sixth Democratic Front Congress in Tirana on 26 June, entitled "The Democratic Front—A Great Political Force for Strengthening Our Socialist Homeland." This has been compared to the item published on page 5 of the 27 June East Europe DAILY REPORT revealing the following variations:

Page 6, column 2, last paragraph, BASHKIMI reads: ...of socialist morality. [new paragraph]

Today also, our new kind of man is highly sensitive and reacts strongly to any sign, however small, of arbitrariness, arrogance, cronyism, or indifference. He is perfectly justified in this. We often talk about lack of discipline at work in the cases of particular individuals or sectors, about damage to social property, attitudes of indifference to the concerns of the people on the part of various state bodies, unjust interventions on the part of certain cadres, and unearned profits acquired by certain people. Constant and persistent educational work, the thorough mobilization of public opinion, and greater efforts on the part of the law and the administration are necessary to reduce and eliminate these phenomena, creating a climate that despises and refuses to tolerate them. Everybody must fight to preserve social property, the socialist community, and the standards of communist morality.

What, for example, does a breach of discipline at work mean? It is not a personal matter that harms merely the culprit. Violations of discipline affect other people also, and oblige them to do your work for you. Why must they put up with this and indulge you?!

Individuals or families may be indulgent, in the sense that they may tolerate supporting a member of the family who does not work, may put up with his laziness, may still treat boys and girls differently, or may treat women differently from men. However, society and the state cannot be either indulgent or patriarchal when it is a question of the labor laws and the values of the community. The principled attitude of society toward these phenomena may seem harsh, but society shows its democratic and humanist character in this very severity. To allow encroachments on property and the moral principles associated with property is to strike at the foundations of a society, and nobody can or should allow this.

It is for precisely this reason that our society rejects and condemns as unacceptable and antisocialist all negative phenomena, in whatever form they arise, whether as directly harmful activity or as alien moral attitudes, whether as violations of the law of the state of infringements of the rules of the socialist community which have become the general norm.

The country today needs to mobilize all its physical and intellectual energies to promote our new way of life. If we consider the special circumstances of Albania, which is building socialism encircled by the vast and tempestuous bourgeois-revisionist sea, we will realize even more clearly how our people must be strong in their ideological and political unity of our people must be, how our society must be morally pure, and how we must work creatively.

The results of... (supplying additional material);

Page 10, column 2, paragraph 5, BASHKIMI reads: ...of our people. [new paragraph]

Once again, I wish you success in your work. May this congress take a further step forward in strengthening the Democratic Front of Albania, mobilizing the great army of its members to carry out the tasks that it will set.

Long live the Democratic Front of Albania!
Long live our heroic people!
Long live our Albanian Workers Party, the leader and organizer of all our victories!
Glory to the brilliant achievement of Comrade Enver Hoxha! (supplying additional material to end of item)

Zhivkov Congratulates Bush on Independence Day

AU0307185889 Sofia BTA in English
1749 GMT 3 Jul 89

[Text] Sofia, July 3 (BTA)—Mr Todor Zhivkov, president of the State Council, has cabled greetings to Mr George Bush, president of the United States, on the occasion of his country's national day, Independence Day.

The cable expresses the hope that the two countries will keep consolidating the continuity in their cooperation for the sake of the further gradual promotion of bilateral relations to the benefit of both peoples and of world peace and security.

'Structural, Personnel Changes' in Ministries

AU0407183589 Sofia Domestic Service
in Bulgarian 1730 GMT 4 Jul 89

[Text] By decrees of the State Council of the People's Republic of Bulgaria, the following structural and personnel changes are made in the Council of Ministers:

A Ministry of National Education is created.
A Committee for Science and Higher Education is created.
The Ministry of Culture, Science, and Education is transformed into a National Council for Education, Science, and Culture, the composition of which will include the Ministry of National Education, the Committee for Science and Higher Education, and the Committee for Culture.

Georgi Yordanov is released from the post of minister of science, culture, and education [title as heard], and Ilcho Dimitrov is released from the post of minister in the Ministry of Culture, Science, and Education.

Georgi Yordanov and Petko Danchev are appointed deputy chairmen of the Council of Ministers.

Aleksandur Fol is appointed chairman of the National Council for Education, Science, and Culture, with the rank of minister and member of the government.

Asen Khadzhiolov is appointed minister of national education and first deputy chairman of the National Council for Education, Science, and Culture.

Politburo Discusses Gorbachev-Zhivkov Talks

AU0407190389 Sofia Domestic Service
in Bulgarian 1730 GMT 4 Jul 89

[Text] The Politburo of the Central Committee of the Bulgarian Communist Party [BCP] discussed a report on the talks held by Comrade Todor Zhivkov with Comrade Mikhail Gorbachev during his working visit to the Soviet Union on 23 June.

The Politburo gives a high assessment to the significance and the results of the working meeting, which confirmed the mutual comradely interest of the two parties in the success of the reforms being implemented in Bulgaria and the Soviet Union, and the coincidence in principle of the aims of perestroika, given the natural peculiarities in the practical approaches in view of the specific conditions. As the organizers and initiators of restructuring, the BCP and CPSU are strengthening their leading role in socialist society and applying new forms of activity in the spirit of democracy and glasnost.

The successful implementation of the far-reaching reforms in the political, economic, and intellectual fields and the vitality of the course for comprehensive cooperation and drawing together between our parties, countries, and peoples are a guarantee for imparting dynamism to and raising the efficiency of the bilateral cooperation in the interest of the prosperity of the two peoples.

The common readiness of the two fraternal communist parties to develop and deepen the links between them are of decisive importance for the revolutionary renewal of socialist society.

The Politburo once again confirmed that the comprehensive cooperation and traditional brotherly friendship between Bulgaria and the Soviet Union are our cherished possession, a keystone on the road to building Socialist Bulgaria into a modern, highly developed, and civilized state.

Matters of principle were discussed relating to further deepening Bulgarian-Soviet relations in the fields of politics, the economy, the intellectual and social spheres, and to perfecting the mechanism for exchanging experience.

Stress was laid on the importance of the joint development of a new model for cooperation that is adequate for the contemporary objective realities, possibilities, and requirements.

The BCP Central Committee Politburo expresses its satisfaction with the willingness of Comrade Mikhail Gorbachev to visit Bulgaria at the invitation of Comrade Todor Zhivkov. In accordance with the agreement reached during the working meeting between the two party and state leaders, the Politburo issued instructions to the competent party, state, economic, and social organs and organizations to prepare and mutually coordinate specific measures and initiatives, and, in particular, to draft a new model for cooperation between Bulgaria and the Soviet Union.

The Politburo discussed and resolved certain structural and cadre matters concerning the apparatus of the BCP Central Committee. The following departments of the BCP Central Committee are set up in place of Ideological Policy and Cadre Policy Departments of the Central

Committee: the Propaganda and Agitation Department, headed by Stanka Shopova; the Science and Education Department, with Lyudmil Dakovski as its chief; the Culture Department, headed by Vladimir Zhivkov; and the Mass Media Department, with Gencho Arabadzhiev as its chief.

GDR's Stoph, Atanasov Make Toasts at Dinner

Atanasov Toasts Guest

AU0507065189 East Berlin NEUES DEUTSCHLAND in German 30 Jun 89 p 7

[Toast proposed by Georgi Atanasov, chairman of the Bulgarian Council of Ministers, at a dinner given in honor of Willi Stoph, chairman of the GDR Council of Ministers, in Sofia on 29 June: "Joint Contribution to Secure Peace in Europe"]

[Text] Esteemed Comrade Stoph, dear friends from the GDR, dear comrades:

More than a year has elapsed since my visit to the GDR, and now I have the pleasure of welcoming you in our country. We are grateful that you accepted the invitation and want to express the hope that our meetings and talks in Sofia will be fruitful and contribute to further developing and strengthening the political, economic, and cultural relations between our two fraternal countries.

A Great Deal Has Been Achieved in a Historically Short Period Under the leadership of the Socialist Unity Party of Germany [SED]

Relations between the peoples of the Bulgarian People's Republic and the GDR have traditionally been good and friendly. These relations have historic dimensions that are embodied in the dedicated struggle of the German and Bulgarian Communists against capitalism and fascism, in the heroic deeds of Georgi Dimitrov and Ernst Thaelmann, and of the generation of outstanding Bulgarian and German antifascists.

The GDR will celebrate the 40th anniversary of its founding this year. The working people of your country have achieved a great deal of which they can be proud. Within a historically short period, under the leadership of the SED, they have built a highly developed socialist society with an efficient economy and socially stable living conditions.

In a few months' time we will commemorate the 45th anniversary of the victory of the Socialist Revolution in Bulgaria. The balance sheet of nearly half a century is positive. We proceeded on a complicated and difficult historic path. In comparison with the past, our people have achieved an enormous progress. Our people have been united under the leadership of the Bulgarian Communist Party, and proceed jointly on the path of restructuring and comprehensive renewal, with the aim of transforming Bulgaria into a highly developed and cultural socialist state.

The experiences of the Soviet Union are of great significance for us. We are studying the experiences of the GDR and other fraternal countries with care and interest. We are willing to apply everything that is valuable and useful, and that contributes to the rise of socialism.

There Are Good Preconditions for Strengthening Cooperation

In the present situation and in view of the renewal processes that are taking place in the socialist countries, we attach great significance to relations with the GDR. The favorable preconditions, created over the past few years, for expanding the mutual exchange of material and cultural values and for the dynamic development of bilateral relations on the basis of the treaty of friendship, cooperation, and mutual assistance adopted in 1977 must be fully used. The meetings and talks between Comrades Todor Zhivkov and Erich Honecker are important factors for steadily developing our relations with new dynamism and for enriching them with new contents. The "Program for Expanding and Strengthening Economic and Scientific-Technological Cooperation Between the People's Republic of Bulgarian and the GDR," which the two leaders signed and which is being successfully implemented furnishes proof of this and provides a stable basis.

Today we have the real possibility of finding the right way to fill our bilateral relations with new contents that correspond to the quickly changing realities.

We can use the possibilities of specialization and cooperation in production in an even more comprehensive manner. It would also be possible for us to expand our scientific cooperation. There are also great opportunities for the broad development of cultural relations. We will discuss all these issues during our meetings which are proceeding in a businesslike and open atmosphere, which center on specific topics, and during which existing problems are not evaded. New approaches toward strengthening and enriching cooperation are being sought.

This underlines again the topicality of the words of our unforgotten Comrade Georgi Dimitrov, who claimed that general propaganda against war is not sufficient, but that it is necessary to struggle for peace!

However, a long and difficult road to a peaceful and secure world still lies ahead of us. Our alliance has shown the right direction with realistic proposals, so that the disarmament process can be continued without delay. However, there are still some unteachable persons in the

West who want to obstruct this path. We will not allow them to discourage us. We will not rest until peace is safeguarded lastingly together with all forces of reason and goodwill.

The unilateral reductions in defense expenditure, armed forces, and weapons testify to the great commitment of the socialist states to this first and most important human right.

This provided a good start for the Vienna talks. The creation of zones of increased confidence and cooperation in central Europe and of nuclear-free and chemical-weapon-free zones in the Balkans, for which our Bulgarian friends also use their strength and authority, would be significant steps on the path toward the establishment of the "common European home." We completely support the efforts to develop good-neighborly relations with all Balkan states.

Disarmament Is Not Compatible With the Modernization of Weapons

Let me reaffirm our joint view that the documents of Helsinki and Vienna provide the proper order for the "European home."

However, it must apply in the same way to all inhabitants. Interference in the internal affairs of neighbors is not compatible with this order. Those who want to compensate disarmament steps by modernizing weapons systems do not contribute to strengthening the necessary confidence.

Dear comrades, the results of the struggle for peace, detente, and disarmament depend to a large extent on the weight of socialism, on the unity and cohesion among our alliance. For this reason, we accord great significance to the strengthening of cooperation among the socialist states, to their efficient collaboration within the Warsaw Pact and CEMA.

Dear Bulgarian friends and comrades, we are convinced that our current visit to your country serves this purpose. We are looking forward to tomorrow's talks and discussions with great optimism and are certain that our two parties, states, and peoples will jointly and successfully advance on the path of progress.

Side by side with the other allies, we will successfully master the great tasks that we are facing.

Dear comrades and friends, fully in this spirit, I ask you to raise your glasses and drink with me to:

—the further successful development and deepening of friendly relations between our two states and peoples,
—the unshakable fraternal alliance between our two parties, states, and their representatives, Comrades Erich Honecker and Todor Zhivkov,
—your well-being, dear Comrade Atanasov,
—the health of all those present!

Stoph Returns Toast

AU0507063189 East Berlin NEUES DEUTSCHLAND in German 30 Jun 89 p 7

[Toast proposed by Willi Stoph, chairman of the GDR Council of Ministers, at a dinner given in his honor by Georgi Atanasov, chairman of the Bulgarian Council of Ministers, in Sofia on 29 June: "Cooperation Is Expanding for the Well-Being of Our Peoples"]

[Text] Dear Comrade Atanasov, dear Bulgarian friends, distinguished guests:

Please allow me to thank you once more for your invitation. As usual, when we are visiting our friends and fellow fighters in Bulgaria, fraternal hospitality is being extended to us. I also thank you, Comrade Atanasov, for your friendly and appreciative words about the GDR.

Class Alliance—the Basis for Joint Work

Already during our first talk, we confirmed that the stipulations adopted during the meeting in Sofia between the general secretaries of the Central Committees of our fraternal parties, Comrade Erich Honecker and Comrade Todor Zhivkov, have provided future-oriented impulses for relations between our countries. We observe with satisfaction that our cooperation is steadily expanding for the well-being of our peoples.

This is primarily a result of the dynamic force on which this cooperation is based—the trusting and close alliance between our two Marxist-Leninist parties, the Socialist Unity Party of Germany [SED], and the Bulgarian Communist Party [BCP]. This class alliance is the solid basis of our joint work.

We are making intensive efforts to implement the program agreed at the highest level for the expansion and deepening of scientific-technological cooperation between our countries through the year 2000.

Achievements in Socialist Construction Fill Us With Pride

The coordination of the economic plans for the 1991-95 period will make a sizable contribution to this. The people in the GDR are aware of the Bulgarians' deep and friendly feelings for our country. For this reason, we are convinced that the 40th anniversary of the founding of the GDR, which our working people will celebrate in a few months' time, will draw a response in your country.

The successful development of the GDR fills our citizens with pride, and we believe that it is important to stress the achievements accomplished in socialist construction at this point.

We will never allow the enemies of socialism to call into question or harm what has been achieved through hard work.

The unshakable friendship with the Soviet Union is of immense value for the comprehensive strengthening of the GDR. During the most recent meeting between the leading representatives of our parties and states, Comrade Erich Honecker and Mikhail Gorbachev, the firm resolve was reaffirmed to purposefully expand bilateral relations, which have always been of a high level, for the well-being of our two peoples on the basis of shared views on fundamental issues concerning foreign policy and socialist construction.

Our working people proceed from the fact that the present and future will pose even higher challenges. Therefore, they will continue to use all their strength to implement the resolutions that the highest forum of our party adopted in 1986, and make preparations for the 40th anniversary of the founding of the GDR and the 12th SED Congress with resourcefulness and vigor.

Bulgaria is also approaching an important anniversary, the 45th anniversary of the socialist revolution.

We are following with sympathy the efforts of our Bulgarian friends to make socialism even more attractive. In this spirit, the BCP has adopted far-reaching and challenging resolutions. We wholeheartedly wish the Bulgarians much success and creative vigor in implementing them.

Dear comrades and friends, thanks to the constructive and dynamic peace policy of the socialist states, particularly of the Soviet Union, and thanks to the commitment of the peace-loving forces all over the world, progress has clearly been achieved and positive tendencies have become discernable in the international arena.

The new quality that characterizes the development of socialism in each country of our community and the tendencies that become discernible on a global scale give rise to problems that go beyond the framework of our bilateral relations. We are firmly convinced that the activities within CEMA must be restructured, which will lead to a deepening of the integration process, of specialization and cooperation in accordance with the new tendencies that are emerging on the European continent. At the same time we believe that the strengthening of direct bilateral relations of integration can contribute to resolving this issue.

Support for the Soviet Initiatives

Esteemed comrades, the new political thinking leads to epoch-making tasks in world politics. It paves the way for an even more efficient tapping of the potentials of our social order, for the preservation of the basic human values and, on this basis, for a greater unity in the world, and for the survival of mankind.

The new political thinking is also a fundamental guideline for the shaping of the "common European home," a peaceful home for all peoples. The People's Republic of Bulgaria and the GDR support the peaceful initiatives of the Soviet Union and the other states of the socialist community. We are making our contribution to the practical implementation of the foreign policy of the socialist fraternal states. We appreciate the GDR's initiative to strengthen confidence and peace in central Europe. Our country is making efforts in this respect in the Balkans. This constitutes a consistent and stable policy. We do not allow it to be influenced by economic changes and activities, we reject all attempts at interference in the internal affairs of other countries, and strive for the most important thing—peace, good-neighborly relations, and the well-being of all peoples in the region.

Comrade Stoph, please allow me to express the confidence that with today's meeting we will make another step in the development of cooperation between our two countries and fraternal peoples.

Let me raise the glass and drink to:

—the further rise of the GDR, the well-being of your allied people,

—the further fruitful cooperation between our parties, governments, and peoples,

—the health of our leading party and state representatives Comrades Todor Zhivkov and Erich Honecker,

—to your well-being, esteemed Comrade Stoph,

—to the well-being of all who are present.

Joint Statement on Stoph-Zhivkov Meeting Issued

AU0307114589 Sofia RABOTNICHESKO DELO in Bulgarian 1 Jul 89 pp 1, 2

["Joint Statement" on the 29-30 June official and friendly visit to Bulgaria of Willi Stoph, chairman of the GDR Council of Ministers]

[Text] Willi Stoph, chairman of the GDR Council of Ministers, paid an official friendly visit to Bulgaria on 29 and 30 June 1989 at the invitation of Georgi Atanasov, chairman of the Council of Ministers of the People's Republic of Bulgaria.

Willi Stoph, chairman of the GDR Council of Ministers, laid a wreath at the Georgi Dimitrov Mausoleum.

Todor Zhivkov, general secretary of the Central Committee of the Bulgarian Communist Party [BCP] and State Council chairman, received Willi Stoph and had a talk with him. During the talk, which took place in a cordial and friendly atmosphere, they reviewed bilateral relations and international issues.

I

The two premiers had a talk and briefed each other on the internal situation in their countries.

Georgi Atanasov briefed Willi Stoph on the nature of the renewal processes and restructuring of the whole of the sociopolitical and economic life in Bulgaria, and on the tasks being solved by the Bulgarian people in practically implementing the July Concept on further constructing socialism in the People's Republic of Bulgaria, in order to greet the 45th anniversary of the socialist revolution in Bulgaria in a worthy manner.

Willy Stoph briefed Georgi Atanasov on the dialectical unity between continuity and renewal in the policy of the Socialist Unity Party of Germany [SED] in further constructing the developed socialist society. He stressed the especially successful implementation of the unity of economic and social policy, and reported the activity and initiative of the working people for greeting the 40th anniversary of the GDR in a worthy manner.

II

The two sides noted with satisfaction that traditional friendly relations between the People's Republic of Bulgaria and the GDR are dynamically and efficiently developing in all areas on the basis of the Treaty on Friendship, Cooperation, and Mutual Assistance of 14 September 1977. Friendship, international solidarity, and the common view of the fundamental issues of socialist construction and international policy are a solid foundation of their progress.

The two governmental leaders stressed that fraternal relations between the BCP and SED, and especially the agreements reached at the meetings between Comrades Todor Zhivkov and Erich Honecker, are of decisive importance for strengthening cooperation.

The leaders of the two governments reviewed in detail the state and prospects of economic and scientific-technical cooperation between the People's Republic of Bulgaria and the GDR. They noted with satisfaction that it continues to develop fruitfully and in accordance with the principles and agreements incorporated in the "Program on Expanding and Strengthening Economic and Scientific-Technical Cooperation Between the People's Republic of Bulgaria and the GDR Until 2000," signed in September 1987 by Comrades Todor Zhivkov and Erich Honecker. It was noted that the program facilitates raising economic relations between the two countries to a qualitatively new level.

Comrades Georgi Atanasov and Willy Stoph approved a "Joint Report on the Development of Economic and Scientific-Technical Cooperation Between the People's Republic of Bulgaria and the GDR," and positively assessed the activity of the two countries' Commission on Economic and Scientific-Technical Cooperation during the period since the last meeting of the two premiers in 1988.

The two leaders supported strengthening cooperation in research, development, and production activities, and especially in the sphere of crucial technologies. In the sphere of microelectronics the People's Republic of Bulgaria and the GDR will direct their efforts toward satisfying the need of active and passive constructive elements, the accelerated development and application of computer technology, and continuing the work related to improving efficiency. Cooperation in complex automation is directed toward improving the technological level and production efficiency.

The two sides stressed that direct relations between about 2,000 combines, companies, self-managing economic organizations, and scientific collectives of the two countries, are an efficient form of cooperation.

The governmental leaders posed the task of utilizing even more consistently direct relations for specialization and production sharing in research and production, and in expanding mutual deliveries.

The two sides noted that national plans will be coordinate also in the future as a necessary means of implementing coordinated policy in the sphere of economic and scientific-technical cooperation. They agreed that coordinating the national plans specifies the tasks of scientific-technical cooperation, specialization, and production sharing, and synchronizes mutual deliveries of goods and services.

It was confirmed that the program on cooperation until 2000, the comprehensive program on scientific-technical progress until 2000, and the collective concept of the CEMA member countries until 2005 determine the contents and directions of coordinating the plans for the 1991-95 period. Conferences at all levels have begun under the leadership of the central planning organs, and it was agreed to sign a document on coordinating the plans for the period of 1991-95 no later than the second quarter of 1990.

It was pointed out unanimously that the tasks of scientific-technical cooperation are primarily aimed at developing new technologies, increasing productivity and production efficiency, and economically using raw materials, other materials, and energy.

Georgi Atanasov and Willi Stoph agreed that in recent years trade between the People's Republic of Bulgaria and the GDR has been developing in a stable and consistent manner, on the basis of the coordination of the plans and the long-range trade agreement for 1986-90. They stressed the importance of the balanced and dynamic development of the trade exchange.

The central foreign trade organs of the two countries were instructed to make efforts, together with the competent economic organizations, and state companies,

ministries, and combines, to implement the mutual deliveries envisaged by the 1989 annual protocol, while strictly observing the contract conditions.

Georgi Atanasov and Willi Stoph stressed the importance of also increasing the efficiency of cooperation in other areas and of further developing direct relations in the spheres of culture, science, education, the mass media, sports, and tourism.

The two sides are firmly determined to contribute to restructuring the CEMA activity with a view to strengthening the integration processes, the international division of labor, specialization, and production sharing among the member countries, in accordance with the new requirements.

While exchanging opinions on the international situation Georgi Atanasov and Willi Stoph noted with satisfaction that, as a result of the constructive and coordinated foreign policy of the USSR and the other socialist countries, and the constructive efforts of the realistically thinking circles in the West, positive tendencies are asserting themselves in international relations. The understanding that it is necessary to advance toward a new concept of security and strengthen confidence and stability by rapidly and substantially decreasing the level of the military balance to the level of defense sufficiency is also asserting itself. Simultaneously, the conviction was expressed that the fundamental turning point toward a better situation has not been achieved, and that the international situation continues to be complex and contradictory. Under such conditions it is especially important to cooperate in asserting the new political thinking in international relations and strengthen the unity of the socialist countries.

The two countries again emphasized the Appeal of the Warsaw Pact Member Countries to the NATO Member Countries on overcoming confrontation in international relations and developing political dialogue.

The sides advocate continuing the process of detente by reducing strategic offensive weapons 50 percent while strictly observing the ABM Treaty for an agreed period of time in the form in which it was signed in 1972; a total and general ban on nuclear weapons tests; conclusion of an agreement on banning and eliminating chemical weapons within the shortest possible period of time; limiting armed forces and conventional weapons in Europe; and including naval weapons in the disarmament talks. The sides expressed support for the recent USSR initiative on a moratorium on nuclear experiments.

Georgi Atanasov and Willi Stoph greeted the positive beginning at the Vienna talks, highly assessed the proposals on radically reducing armed forces and conventional weapons in Europe introduced by the Warsaw Pact member countries, and expressed the hope that the talks could be accelerated by bringing the conceptual approaches of the two military alliances closer together.

The two leaders are convinced that the unilateral reductions of armed forces, weapons, and military budgets on the part of the Warsaw Pact member countries that have begun will be of essential importance in improving the climate of confidence among the European states.

The two sides consider the recent proposals of U.S. President George Bush on reducing conventional weapons in Europe to be a positive step in the right direction.

Georgi Atanasov and Willi Stoph greeted the USSR decision to unilaterally withdraw 500 tactical nuclear warheads from the territory of the allied countries during 1989, as well as the readiness expressed by the USSR to withdraw its entire nuclear ammunition from the territory of its allies during 1989-91, if the United States adopts analogous responsive steps.

In this context the People's Republic of Bulgaria and the GDR declare their support for beginning as soon as possible talks on tactical nuclear weapons, they oppose any plans to modernize them, and advocate freeing the European continent of all nuclear weapons.

Georgi Atanasov and Willi Stoph stressed the importance of the initiatives on turning the Balkans into a nuclear-free zone and creating in central Europe a nuclear-free corridor, a zone free of chemical weapons, and a zone of confidence and security, as well as the initiatives on decreasing military confrontation and the danger of a military conflict.

Reviewing the results of the Vienna meeting the two sides supported the further development of the Helsinki process, developing mutually beneficial cooperation, asserting a new climate in international relations, and constructing a common European home. They expressed the conviction that the inviolability of the territorial and political realities existing after World War II and noninterference in the internal affairs of other states are the basic precondition for ensuring lasting peace and developing bilateral and multilateral cooperation in the European Continent.

The sides stressed the necessity of broad and constructive cooperation between the democratic forces, and especially in Europe, and for opposing manifestations of neofascism, which have become frequent recently.

The talks took place in a spirit of cordiality and frankness with a complete coincidence of views on all issues discussed.

Willi Stoph invited Georgi Atanasov to visit the GDR. The invitation was accepted with gratitude.

Editorial Assesses Importance of Stoph Visit

AU0307123589 Sofia RABOTNICHESKO DELO in Bulgarian 1 Jul 89 p 2

[Editorial article: "Work Lies Ahead"]

[Text] The official friendly visit to Bulgaria of Willi Stoph, chairman of the GDR Council of Ministers, which ended on 30 June, marked a new step forward in the common efforts of the two fraternal countries to improve bilateral cooperation in the interest of strengthening socialism and the cause of peace in Europe and the world.

The visit, albeit short, was saturated by an intensive exchange of opinions and ideas, which led toward marking specific tasks and solutions for the benefit of the two countries. It took place in the spirit of cordiality and understanding characteristic of Bulgarian-GDR relations. The positive balance of developing bilateral cooperation in all areas was noted during the talks.

However, regardless of how stable the dynamics of this development is, the scientific-technical progress and the rapid technological renewal require an even more efficient economic coordination, and simultaneously, an even more decisive application of modern forms of cooperation, such as direct relations, production sharing, and specialization.

The People's Republic of Bulgaria and the GDR think that it is equally important also to increase the level of mutual relations in culture, education, science, the mass media, sports, and tourism to a qualitatively new level.

As far as the international situation is concerned, the sides again confirmed the total coincidence of the two countries' positions on the most topical problems. At the present turning point in constructing new relations in Europe and the world with a view to ensuring conditions of lasting security for and cooperation among the states, the People's Republic of Bulgaria, as a Balkan state, and the GDR, as a state in the center of Europe, are striving to significantly contribute to the successful development of the Helsinki process. The public support rendered to many of their separate and joint initiatives within the Warsaw Pact, confirm the constructive character of this striving. However, in order to implement this historical mission of theirs the two countries must constantly perfect their production capacities and strengthen their socialist potential. The results of the Sofia meeting could justifiably be assessed as fruitful. They reveal purposeful prospects of fraternal cooperation.

BTA Reports Mladenov's Toast at Bonn Dinner

AU0307185089 Sofia RABOTNICHESKO DELO in Bulgarian 30 Jun 89 p 5

[BTA report on dinner speech made by Petur Mladenov, minister of foreign affairs, at official dinner given in his honor by Hans-Dietrich Genscher, FRG foreign affairs minister, on 29 June in Bonn]

[Text] Petur Mladenov, minister of foreign affairs, made a toast speech at the official dinner given in his honor by Hans-Dietrich Genscher, FRG minister of foreign affairs, on 29 June in Bonn.

In his dinner speech, Petur Mladenov expressed gratitude for the warm hospitality and the friendly words addressed to him. I would like to express our great satisfaction with our latest visit to a country to which we are linked by stable relations and by most pleasant memories of fruitful talks conducted on the occasion of our previous visits. Mr Federal Minister, the dialogue between our two countries has resisted all trials and unfavorable periods in the development of European and world affairs.

Petur Mladenov congratulated Hans-Dietrich Genscher on his jubilee: in May he celebrated the 15th anniversary of his acting as leader of FRG diplomacy. Petur Mladenov pointed out that our country highly appreciates Genscher's personal contribution to worldwide detente, to the drawing closer between East and West, and to the expansion of relations between our two countries.

Relations between the People's Republic of Bulgaria and the FRG are developing along ascending lines, Petur Mladenov pointed out.

The visit paid by Todor Zhivkov, chairman of the State Council of the People's Republic of Bulgaria, to the FRG and the reciprocal visit paid by FRG Federal President Richard von Weizsaecker to our country further enhanced our relations by elevating them to a new stage of development, namely, to a stage of active political contacts and of increasingly extensive and effective trade and economic, scientific and technical, and cultural cooperation.

The comprehensive and fundamental changes which are under way in the People's Republic of Bulgaria are opening up new spheres of activities and opportunities for intensified and extensive cooperation and exchange between our two countries. Such are the objective requirements of our epoch, namely, that the small world we are inhabiting should become a world of common sense and universal, human relations, the Bulgarian minister of foreign affairs pointed out.

Petur Mladenov further stressed that East-West relations are changing for the better. Confrontation is beginning to fade away. We are participants and eyewitnesses to events which are creating a qualitatively new atmosphere in international life. The first steps along the path of demilitarization are being taken. Outdated cliches are falling apart. Priority is given to universal human values, to the concern about the survival of all mankind.

Nevertheless, the consolidation of international security should become the unrelenting care and permanent responsibility of all states, great and small. The first important steps have already been taken. We are advancing toward alleviating military confrontation, which was

the most dangerous of its kind in the world. We understood that we must work together to overcome the division of Europe, to build up our common European home.

We welcome the document signed between the USSR and the FRG during the latest visit paid by Mikhail Gorbachev to your country as an exceptionally important and constructive document which contributes not only to the bilateral relations between the two states, but also to the all-European process today and in the future.

Petur Mladenov closed his dinner speech by saying: "We are all aware of the fact that the European countries are capable of living together without being afraid of one another, that they are able to cooperate and compete in a peaceful manner and even to assist each other, and not only in cases of national disasters.

"The People's Republic of Bulgaria is doing everything within its power to improve the Balkan situation, to develop bilateral and multilateral cooperation. We are in favor of a stable and uninterrupted, constructive dialogue with all Balkan countries on the basis of noninterference in the domestic affairs of any country whatsoever, and concerning any issue whatsoever.

"International relations are stepping onto solid foundations; their positive aspects are gathering momentum. This is a gratifying fact which makes us happy, because the general atmosphere in Europe is increasingly inspired by the prevailing awareness that the outdated concepts and attitudes should be overcome and that we should live a new and truly civilized manner."

Commentary Examines Mladenov's Visit to FRG

AU0407170989 Sofia RABOTNICHESKO DELO in Bulgarian 2 Jul 89 p 5

[Editorial article: "In Accordance With New Realities"]

[Text] The constructive spirit of confidence and understanding asserts itself even more in recent years in international relations. The visit of Petur Mladenov, minister of foreign affairs, to the FRG is one of the confirmations of this conclusion. It took place under the influence of the willingness of Bulgaria and the FRG to actively participate in the process of disarmament and to strengthen security in Europe and the world. As it was stressed at the talks between the two ministers, now it is especially important that the medium-size and small countries support this process and contribute to its strengthening.

The talks in Bonn between the leaders of Bulgarian and FRG diplomacy also contributed to confirming the high level reached in our bilateral relations. The two ministers noted the great importance of the 1987 visit to the FRG of Todor Zhivkov, chairman of the State Council, and the visit to Bulgaria of FRG President Richard von Weizsaecker at the end of 1988 for developing relations between the People's Republic of Bulgaria and the FRG.

A stable contractual-legal basis of cooperation has already been established. It includes such important agreements as the ones on defending and encouraging investments, eliminating double taxation, and cooperating in environmental protection, culture, science, and other spheres of bilateral relations.

The talks of the two foreign ministers in Bonn and Petur Mladenov's meeting with Richard von Weizsaecker give reason to expect that Bulgarian-FRG relations will obtain a new impetus of development of all spheres. It is worthwhile to point out again the satisfaction that the FRG Government expressed with anything related to the manner in which Bulgaria is solving certain issues of a humanitarian nature, related to bilateral relations, as well as to the fundamental agreement on more actively cooperating in training cadres.

Illegal Trade, Blackmail Denounced at Border

AU0307142589 Sofia RABOTNICHESKO DELO in Bulgarian 30 Jun 89 pp 1, 2

[Unattributed report: "Price of Ethics as the Price of a Pair of Jeans"]

[Text] We approached Lieutenant Colonel Dobrev, commander of the municipal administration of the Ministry of Internal Affairs in Svilengrad, with the following question: During the current days, when the organs of public order in the area of the border checkpoint are primarily engaged in guaranteeing the best possible conditions for the stream of Bulgarian citizens crossing the border to travel south, there are cases in which some people are using the situation for blackmail or are trying to benefit personally from the destiny of those who are crossing the border.

On 4 June Vasil Gospodinov Kurkalichev, 35 years old, a veterinary technician at the "Marishka Dolina" Agroindustrial Complex in the town of Lyubimets, used his own car to overtake the column of cars awaiting their turn at the border checkpoint near Malko Gradishte Village, and offered fuel for sail. The price—55 leva for a container.

On 15 June Khristo Zhelev Mitev, 25 years old, from the town of Lyubimets, a waiter at the "Mladost" bar, began to sell watches near the same column of cars. He had bought a large quantity from one of the city shops for 40 leva a piece, and sold them for 150-200 leva. His case was passed on to the public prosecutor.

At the end of last week Katya Stoykova Stancheva and Ginka Zhelyazkova Dimitrova, salespersons at the department store in Svilengrad, removed men's jeans from the store in the presence of the person responsible for the store's stock, transported them with their own

cars to the column of cars near Vurbovo village, and started to sell them at a price 10 leva higher than the official price. A complaint has been filed on the basis of Decree No 127 of the Council of Ministers, and it will be passed on to the prosecuting authorities.

The offense of Stoyu Kostadinov Barbov, director of the "Secondary Raw Materials" Enterprise at the town of Lyubimets and a party member, is also inadmissible. With the aim of making a personal profit, he offered to use his own car to "evacuate" Yosif Yosifov Aliev, a temporary worker of Muslim persuasion at the agroindustrial complex, to the latter's native village of Podrumche, Krumovgrad area, so that he could prepare for his journey to Turkey.

Fishing in "troubled waters" is also the occupation of others who are deceiving themselves. To profit from the personal suffering of persons who are traveling to seek their "happiness" elsewhere is deplorable.

Turkish 'Anti-Bulgarian Propaganda' Criticized

AU0507083389 Sofia RABOTNICHESKO DELO in Bulgarian 2 Jul 89 p 2

[Article by Docent Boncho Asenov, candidate of philosophy: "Religion and Nationality"]

[Text] Today a part of the Bulgarian people is experiencing a drama—many compatriots of ours are taking advantage of the new Law on Foreign Travel Passports, and are leaving for Turkey. They leave behind their native places, work, schools, and friends. Families are parting. Property that has been constructed or acquired by several generations is being abandoned. They are going to the unknown, where many of them will realize that nobody will greet them with secure jobs, houses, and normal conditions of living. Despite all this the stream continues. What is the reason? This psychosis cannot be understood by people who are not familiar with the situation. It evokes bewilderment and poses many questions.

The reasons are numerous, and one of them is more than obvious: This is the manipulation of the Muslim religion to which a part of our population belongs. It is well-known that the historical development of the Bulgarian people led to their division on the basis of religion. The assimilation policy of the Ottoman Empire toward the Bulgarian population was reflected in the Islamization process of a part of them. Thus the religious phenomenon strongly influenced the emergence of one of the most tragic results of the slavery—the division of the Bulgarian population on the basis of religion, and the enforced separation of a part of the Bulgarians from their own people.

Years had to pass before the historical truth about the origin of the Islamized Bulgarians was clarified and the process of overcoming the remnants that prevented the unity of the Bulgarian people began. We began to analyze in a new manner the historical concept about the identity of religious and national characteristics. The events that we are witnessing now demonstrate the powerful conservatism of this concept, which motivates the behavior of thousands of Bulgarians, who are leaving for Turkey.

The purposeful manipulation of Turkey with the religious sentiments and moods of the Bulgarian Muslims is one of the reasons of connecting the Muslim religion with the Turkish nationality. Nationalistic circles are convincing them that they are a part of the Turkish people, and that their feelings, aspirations, and hopes must be connected with Turkey. Under the guise of Islam attempts are being made to implant pro-Turkish nationalistic ideas and anti-Bulgarian moods among them. The pan-Islamic ambition that all Muslims have one motherland—Turkey—is being intensively used as a propaganda tool. Speculative ideas, such as Muhammad's saying that the love for the motherland equals religious faith, are being spread. The purpose is obvious—Turkey assumes the role of the protector of the Bulgarian Muslims.

By spreading the thesis about the "difficult situation of the Muslims in Bulgaria," and proclaiming their defense as their "national cause," those circles began a massive anti-Bulgarian propaganda on a large scale.

Regardless of how absurd this is, they are exploiting without any qualms the issue of religious freedom within the context of the more general issue of human rights. Thus the issue is being used as a pretext of applying pressure on Bulgaria, which becomes an inadmissible interference in Bulgaria's internal affairs.

The remnants of the past, accumulated in the consciousness of a part of the Bulgarian population, the religious fanaticism, everyday life conservatism, Turkish propaganda, and the activity of certain extremist groups and persons have prompted many of our compatriots to adopt fateful decisions. Let the future reveal their self-deception. Bulgaria does not drive them away. Its borders are open both toward the world and in the direction of the motherland.

Commentary Views Turkish 'Medieval Mentality'

AU0507070589 Sofia RABOTNICHESKO DELO in Bulgarian 3 Jul 89 p 2

[Dobromir Zadgorski article: "Imperial Ambitions and Medieval Mentality"]

[Text] When on 28 July 1402 the Army of the famous warlord Timur-lenk, whom the Europeans called Tamerlane, destroyed the hordes of the Turkish Sultan Bayazid, the terrible Timur pronounced the following words which history has preserved over many generations: "Time helps the wise man who is ready to learn from it."

Nearly 600 years later, the contemporary Turkish rulers do not seem to have learned anything from this simple wisdom. It was in vain, and this is regrettable, because Mehmet Nesri, the Ottoman historian, as early as in the 15th Century, devoted his sarcastic poem: "From a Tale to a Lesson" precisely to Bayazid. Lessons are a very important thing in relations among states, as a matter of fact.

I am making this historical digression in order to recall that the Turkish rulers have always been unable, or unwilling to distinguish between truth and delusion. They do not manifest the wisdom and civilized behavior of the contemporary world in their present development, nor do they show any ambition of taking advantage of the opportunity provided for them by the comprehensive humanitarian and intellectual progress of mankind.

How should we, otherwise, interpret the frantic howling against our country which is being raised in our neighbor country Turkey? The howls are spreading in all directions, they involve the newspapers, the radio, television, the Army and the government. The current competition in anti-Bulgarian rhetoric is marked by the fact that it is becoming an absurd competition in chauvisnism and immoral political intrigue. An example for this is provided by the fact that even Prime Minister Turgut Ozal, in his eloquent threats and in the curses addressed against our country, exceeded the tone of the liberal newspapers, such as MILLIYET and CUMHURIYET, in order to join the pathological screams of the staunch right-wing heralds, such as TERCUMAN, GUNES, GUNAYDIN, and HURRIYET.

The rattling of sabres and the imperial mania, motivated by the alleged "concern" about Bulgarian Muslims, would be utterly ridiculous, if they were not related to such regrettable facts. The facts, however, are against good-neighborly relations between Bulgaria and Turkey. The Turkish Government has once more confirmed its medieval mentality, against the background of which it is trying to conceal its tragic domestic problems, such as unemployment, inflation, poverty, illiteracy, war with the Kurds, unsuccessful elections. The government is trying to conceal all this under the banner of the Pan-Turkish doctrine which is being revived every time the regime becomes unstable.

Hardly any country in the whole world is involved in so many conflicts with all its neighbors as Turkey. Let us take the events of the last 2-3 months as examples: The permanent occupation of a large part of the territory of Cyprus with the intention of settling Bulgarian Muslims in Famagusta; the gross interference aimed at manipulating the results of parliamentary elections in Greece, mainly in the areas of Xanthus and Rhodopi; military threats and absurd claims, as well as accusations against Bulgaria; new revelations about secret plans of the Turkish military clique to occupy the Iraqi province of Kirkuk, which is rich in petrol—all these developments reveal a remarkable record of political shortsightedness.

"Every citizen of Turkey is a Turk"—this passage from the country's Constitution is a flagrant provocation both against the conscience and the national consciousness of all Kurds, Arabs, Greeks, Georgians, and Lazi [Gypsies]. The passage is an insult against those Armenians and Bulgarians who survived the genocide and the policy of assimilation, and who were deprived even of their last churches in Istanbul a long time ago. This is the right place to recall that nearly 2 million Armenians and over 400,000 Bulgarians were killed, or assimilated in the 20th Century. The memory of mankind is filled with horror at such figures, but this memory is immortal. It gives evidence that Turkey has a long way to go before it reaches the path leading toward the foundations of contemporary civilization.

Muslim Describes Trouble on Trip to Turkey

AU0407202889 Sofia BTA in English
1858 GMT 4 Jul 89

[Text] Kapitan Andreevo, July 4 (BTA)—Biser Kharizanov from Silistra returned today to Bulgaria after a two-week stay in Turkey and said: "There is no place for us there."

The 24-year old Kharizanov and his 22-year old wife Rena left for Turkey on June 20 and spent three days at the railway station in Kapi Kule after which they were sent to a camp near Odrin. "There are about 2,000 tents there," Kharizanov told a BTA reporter. He and his wife were put in tent No 351. Families with 2, 3 and more children live in such tents.

Kharizanov told the Bulgarian journalists and representatives of the British TV Company NBC [as received] about his experience.

Kharizanov had to go on his old mother's illness to be able to return to Bulgaria. [sentence as received] He told how a police head in Kapi Kule tried to persuade him to remain in Turkey. When Kharizanov and his wife received their Bulgarian passports they discovered that they were "extradited" from Turkey.

Milos Jakes Grants Interview to Syrian Paper

PM0307145889 Damascus AL-BA'TH in Arabic 19 Jun 89 pp 1, 11

[Report on interview with Czechoslovak Communist Party General Secretary Milos Jakes, by Muhammad Mansur in Prague; date not given]

[Text] Milos Jakes, general secretary of the Czechoslovak Communist Party Central Committee, has valued highly Syria's principled policy on many issues, especially Arab issues, emphasizing that its policy serves not only Syria, but all Arabs. This was said in his exclusive interview with AL-BA'TH.

Comrade Jakes said: I remember with pleasure my visit to Syria and Al-Qunaytirah city, which was my first to your country. We were warmly welcomed and our talks with President Hafiz al-Asad and the Syrian leadership were very frank and beneficial. And there was joint understanding on international policy issues, including the U.S. and Israeli policies in the Middle East region, and also on the situation in Lebanon. Furthermore, we stressed that the tense situation in Lebanon must be ended on the basis of equality among all parties, not on the basis of one party's supremacy over another.

He added that during the talks with President Hafiz al-Asad an understanding was reached on the need to strengthen relations among the Arab states and to firmly establish the principled unity to protect Arab interests, especially since the Arabs have great resources which can secure prosperity for them; so such resources must not go to others. The Arabs are also urged to confront Israel's aggressive policy, end their conflicts, and open the way to strong cooperation among them to preserve Arab unity, end all disputes, and return to Arab principles.

With regard to Czechoslovakia's view of our country's role in the region, Comrade Jakes said: We highly value the policy of the Arab Socialist Ba'th Party and Comrade Hafiz al-Asad, party secretary general and president of the Syrian Arab Republic—a policy hostile to imperialism and which serves not only Syria, but all Arabs.

Next he praised Syria's internal policy, saying: Evolution and development operations are being carried out, and we in Czechoslovakia consider Syria a friend of ours, working to develop all aspects of relations with us. We believe that the future holds even greater potential. Economic resources in Syria may be limited now, but will improve after the discovery of oil.

On the present situation in the Middle East region, Comrade Jakes said: We acknowledge that many want to resolve certain issues at Syria's expense—which is not only unsound, but unjust as well. For our part, we express solidarity with Syria's struggle.

He added: I would like you to convey to President Hafiz al-Asad our comradely greetings and our wishes of good health and success in the difficult and responsible task which he is carrying out in the region and which we assess as a successful task serving Syria's and the Arabs' interests.

We believe that any positive steps in the region can be accomplished through the natural solution, not the U.S.-Israeli solution. We regard events optimistically pending the eventual satisfaction of Arab aspirations.

As for the Lebanese crisis, Comrade Jakes said: Syria has a positive role there, since it is helping the Lebanese people to strengthen and consolidate their independence and sovereignty—and this displeases many.

Comrade Jakes broached the agreement on the twinning of the cities of Al-Qunaytirah and Lidice signed by 'Abd-al-Mun'im Hamawi, governor of Al-Qunaytirah, and Marie Yarosova, head of Lidice's national committee. The agreement was concluded in response to an initiative from AL-BA'TH and RUDE PRAVO. He said: I am very pleased at the conclusion of the agreement, since Al-Qunaytirah and Lidice represent the steadfast resistance for the sake of freedom and against all acts of violence. They also represent a call for us not to forget that there are still many forces that accept no freedom for others.

We appreciate that Al-Qunaytirah has entered people's minds as a reminder of Israeli barbarism and of the extraordinary resistance displayed by its people.

On the restructuring process in Czechoslovakia, which involves society's various aspects, Comrade Jakes said: Our position is facing difficulties resulting from certsin factors, including the need for us to convince people of the soundness of what we want to achieve by ourselves. Obviously not all the plans we are seeking to implement are suitable for everyone. This, because some believe they will affect their comfortable lifestyles not achieved by their own efforts. What is required is a new quality of work, higher productivity, and better quality.

In our country we have chosen the road of the restructuring process, but only the methods have changed. As for the various economic and productive establishments, they have been granted more independence in their production activities both inside and abroad, but according to criteria and principles governing and defining their links with the state. The assessment and correction of prices in the light of many internal and international factors is being followed up.

Activist Havel Assesses Political Situation

AU0307182389 Hamburg DIE WELT in German 3 Jul 89 p 9

[Interview with CSSR Civil Rights Activist Vaclav Havel by Manfred Schell in Prague: "Vaclav Havel: 'Nobody Can Deprive Me of My Inner Freedom'"; date not given]

[Excerpts] [Passage omitted]

DIE WELT: Mr Havel, you are a co-founder of Charter 77, you were its spokesman for some time. How important is Charter 77 in your country today?

Havel: This is a question which requires a whole essay. I will try to be brief. In the 12 years of the Charter's existence many things have changed. The most recent change is that Charter 77 has ceased to be a group of crazy people with whom the society sympathizes in a very quiet and well-concealed way. Today the Charter has turned into something which the people are prepared to profess in public, because for them it is the only alternative in society that is different from the ruling power. It has to be added that the Charter is the oldest and best-known independent initiative, but it is by far not the only one. There are several of its kind, and what I have said actually applies to all of them. [passage omitted]

DIE WELT: In those days you took the floor at a writers congress, which probably initiated the Prague Spring. Are you in contact with Alexander Dubcek?

Havel: In the first place, I do not believe that the initiative for the Prague Spring came from me. I think that the Prague Spring was the consequence of a long process of society's self-assurance and self-liberation, and, referring to my own role, I admit that I participated in this self-liberation, above all with my theatrical work, but also with my commitment as a citizen.

As regards Alexander Dubcek, I saw him at a meeting of artists and politicians in 1969, then I did not see him for exactly 20 years, until 3 hours after my recent release, when he came to my home to welcome me, which of course pleased and moved me.

DIE WELT: What do you think of Dubcek's fate?

Havel: I think that Alexander Dubcek is an unusually honorable, sincere, and engaging man, as is rarely found among politicians, especially among communist politicians and conservative communist politicians. This basic human sympathy for him does not mean that I have always completely agreed with the things he has done and is doing now. However, this is less important. What is more important is that I feel that I am in the same boat as him today. His visit to my house permits me to assume that he also feels that we are in the same boat.

DIE WELT: Mr Havel, if you compare the present situation of your country to 1968, what is your conclusion?

Havel: This is not the place for a political analysis, there are several essays and even books dealing with this. I would simply say: In 1968 society lived in a kind of unsullied dream that the totalitarian system can be peacefully transformed into a democratic one. Today this society is again awakening, hopes of turning the totalitarian system into a democratic one are again aroused; however, after the bitter experiences of the past 20 years the hopes that are aroused are no longer unsullied.

DIE WELT: Thus, there is no hope that there might again be a Prague Spring after Husak's era?

Havel: Many people hope that there will be changes in our society, that there will be changes toward democracy, even though they will certainly take a completely different form than the Prague Spring. However, the fact that these hopes are arouses has nothing to do with the change from Husak to Jakes, there are many other reasons.

DIE WELT: Maybe it is the new generation that has grown up since 1968. Is it part of "the more promising dimension of things"?

Havel: I think that, in general, young people always have hopes, if only because they are young and future depends on them rather than on us. Nevertheless, these hopes are considerably greater in our country than in general, because every day we are surprised by evidence of the free thinking of which people are capable who were born after 1968 and who spent their whole previous lives in the dark era of the seventies and eighties, which included, among other things, effacing the national memory of society and turning the people into compliant cogs, perhaps simple, plain cogs in a big machine operated by somebody who is not only uninterested in the thoughts of the cogs, but who also does everything to make them not think at all, like real cogs.

DIE WELT: In what way are young people accepted by the regime?

Havel: Like many other recent phenomena, they cause considerable internal chaos within the regime. [passage omitted]

DIE WELT: Is the Catholic movement in your country of political importance, and what do you think of Cardinal Tomasek who has just turned 90?

Havel: In a country in which the political culture has been suspended, in which public opinion has been abolished, and where politics in its original, authentic sense does not exist, anything that goes beyond the wishes and plans of this power in any conceivable way has paradoxically become a political or, at least, semi-political affair, and it happens that a rock concert or a pilgrimage also becomes a political affair. Accordingly, the increasing inclination toward Christianity, above all on the part of the young generation, automatically has a political aspect, of course. As regards Cardinal Tomasek, I believe that the Catholic Church, not only it alone, but also the whole society are blessed to have such an excellent man at the head of the Catholic Church.

DIE WELT: In one of your works you describe the communist leaders as "puppets of the system." Does this also apply to Gorbachev in your opinion?

Havel: I would like to make two comments: When I wrote that a totalitarian, communist-type system tends to turn its leaders into cogs in its later phases—I even called it a post-totalitarian system—this was some kind of essayistic metaphor, and I did not want to say that none of them have a human soul or human feelings. The second comment: As far as I can remember I have never thought about communism or the communist system, but always about the totalitarian, communist-type system. This terminological difference is rather important to me. For example, it is also important for me when answering your question. If Mr Gorbachev is a man who helps a totalitarian communist-type regime to get rid of its totalitarian elements—and there is every indication that he is such a man—he is, however, also a man who is outgrowing the role of the simple anonymous cog in an anonymous machine, which is actually not anonymous but works independently and to which a post-totalitarian system of the communist type bears an alarming resemblance. And he will start to resemble a normal politician.

DIE WELT: Is it correct that Vaclav Havel was never a dissident but a civil rights activist, that is, he was not a dissident because he never was "one of them"?

Havel: If by a dissident we understand a renegade, then I have never been a dissident because I have never been disloyal. [passage omitted]

Husak Receives Australian Delegation 27 Jun

AU3006102689 Prague RUDE PRAVO in Czech 28 Jun 89 p 1

[CTK report: "Australian Parliamentarians Received by G. Husak"]

[Text] Prague—On Tuesday [27 June], Castle Gustav Husak, CSSR president, received an Australian parliamentary delegation in Prague Castle headed by Kerry Walter Sibraa, chairman of the Senate, which is in Czechoslovakia for an official visit.

During the conversation, both sides appraised Czechoslovak-Australian relations to date, which in recent years have continued to expand. It was emphasized that the great geographical distance and the difference between the social and political systems are not a barrier to political dialogue and the further intensification and enhancement of economic and commercial cooperation, and the concluding of close contacts in culture, education, and other spheres. Contacts along the line of legislative committees, which have a significant role in the mutual understanding of the life of the people of both countries, also assist this positive process.

In a conversation on international issues, both sides underlined the necessity of increasing trust and security in international relations, and they expressed their support for the continuation of detente in the world and the resolution of all contentious issues by peaceful means.

Jozef Simuth, deputy chairman of the CSSR Federal Assembly, Frantisek Salda, director of the Chancellery of the CSSR president, and Lawry Wilson Herron, Australian ambassador to the CSSR, participated in the reception.

Deputy Premier Julis Speaks on Environment

AU3006103389 Prague RUDE PRAVO in Czech 28 Jun 89 p 4

["From the Speech by Comrade Karel Julis," deputy CSSR premier and chairman of the State Commission for Scientific-Technical and Investment Development, made at the joint session of the CSSR, Czech SR, and Slovak SR National Front Central Committees in Prague on 27 June]

[Excerpt] [Passage omitted] In the development of our society so far, a dispute has arisen between the accelerated development of production forces, when often insufficient attention was paid to solving the accompanying ecological problems, and the restricted possibilities of the biosphere. During past decades, the condition of the environment has worsened, affecting the cleanliness of the atmosphere and water, the condition of arable land, the state of forests, and nature as a whole; and this has led to increased economic losses, which at present, are estimated at around 5-7% of national income. The continuing damage to the environment is directly related to the massive consumption of renewable and nonrenewable natural resources, the low efficiency and technological standard of their processing, the inappropriate parameters of manufactured or imported products, unsuitable interference in nature and, along with this, the creation of an environment which is increasingly failing to meet the needs of the life of mankind.

This unsatisfactory state is seen in the negative impacts on the environment, flora and fauna, increasing economic losses, mainly in agricultural and forestry production, the increased corrosion of metallic structures, and the damage done to buildings and cultural monuments. This is reflected negatively in our way of life, in nourishment, in civilization-related diseases, and in the overall level of sickness, which during the 1970-85 period has increased among the population over the age of 18 by 30% in men, and by 46.3% in women.

K. Julis said that the fundamental reasons for the growth of problems in the environment sphere in the CSSR are the relatively high rate of economic growth, and the fact that the present structure of the national economy is not fully adapted to caring for the environment. In previous 5-year plans the low share of investments for environmental protection has had a negative effect. For example, in the Seventh 5-Year Plan roughly 1% of overall investment resources was expended on ecological investment, in the Eighth 5-Year Plan approximately 2%

(Kcs17.65 billion) are planned. It arises from comparable data that developed countries devote more to the protection of the environment, around 4-7% of overall investments. The upper limit is even as high as 11%. [passage omitted]

Gabcikovo Expert Lokvenc on Nagymaros Plant

AU0107145389 Vienna DIE PRESSE in German 1-2 Jul 89 p 4

[Hubert Margl report: "The Hungarians Will Suffer the Greatest Damage"]

[Text] Gabcikovo—On 1 April 1990, the reservoir of the Gabcikovo Danube power plant east of Bratislava is to be flooded. However, the weir plant, which is planned to produce peak current, will be useless for the CSSR's electricity sector, if Hungary makes the temporary stop on building Nagymaros final. This is what Vladimir Lokvenc, Prague's government expert for the weir system, does not want to believe in his interview for DIE PRESSE. "I am firmly convinced that at some time, in 5, 10, or 100 years, the two of us, the CSSR and Hungary, will be forced to build Nagymaros."

Lokvenc, who since 1951 has been engaged in "his" life-work, which was finally started in 1980, speaks of a "unilateral break of the contract," if Hungary does not build Nagymaros now. "We will certainly not renew our joint contract." At the same time the engineer admits that the bilateral agreement of 1977 does not at all take into account the possibility of not honoring the contract. "We have a contract, and the CSSR is observing it because contracts are sacred to us."

The Gabcikovo project, which is jointly financed and built by the CSSR and Hungary—Hungary is also building the dam on Slovak territory—is being continued without change. "It is too far advanced to stop it."

Lokvenc says that most of the disadvantages of a normal run-of-river power station at Gabcikovo would be incurred by the Hungarians. They would lose the electricity output of Nagymaros, which amounts to 1 billion kilowatt hours per year, their 50 percent share of the Gabcikovo plant would not be peak current but wave current [Bandstrom]. "And we will demand that Hungary deliver our share in the electricity output of Nagymaros," Lokvenc stresses. "If they manage to do this with a steam generating plant, this is okay, too."

The biggest damage to the CSSR is the loss of peak energy. "Everything else we can afford with a few tears in our eyes." And Lokvenc outlines new storage projects. "We will have to find another solution in our Republic. Perhaps we have to destroy some things in the High Tatra mountain range." Even though it is possible to give exact figures on the total financial loss incurred by the CSSR, "we are not doing it yet. In any case, it is a 2-digit billion figure." Austria's demands for damages to Hungary, which amount to 2 billion schillings, are "a trifle in this big game," the government expert says. Without Nagymaros, one would "never have needed such a big reservoir and canal and not eight but only six turbines" for Gabcikovo.

The "Master of Gabcikovo" has now been ordered to lead a committee which is to enter into negotiations with Budapest. Lokvenc cannot give any details. "On 13 May, Hungary ordered the temporary stop to building Nagymaros, now, after 40 days, I have received the first official documents from Budapest."

For Lokvenc, the reasons for Hungary's refusal to build Nagymaros "are not technical but emotional and political" reasons. However, even "if Hungary were to become a capitalist country at some time, the Danube will not run differently and it will not be able to use it differently."

Asked whether Hungary does not exert great influence on the Gabcikovo plant since the weir plant of Dunakiliti is on Hungarian territory, Lokvenc says: "This, too, would be a unilateral action. But if Hungary does not give us water, it loses energy, in the production of which it has invested so much."

Roundtable on Danube Dam Project Controversy

AU3006133889

[Editorial Report] Bratislava PRAVDA in Slovak on 29 June on page 3, under the headline "In Harmony Between Economic and Ecological Interests," carries a 6,000-word transcript of a "RUDE PRAVO and PRAVDA roundtable discussion" on the Gabcikovo-Nagymaros dam project on the Danube, which was held on 16 June. In the discussion, which was moderated by RUDE PRAVO deputy chief editor Jaroslav Kojzar, "leading Czechoslovak scientists and experts" answer readers' questions about the joint Czechoslovak-Hungarian project.

The first question concerns the threat of an earthquake. In a letter to RUDE PRAVO, reader Simona Rouzkova, for example, is said to have voiced the fear that, in view of the fact that the supply channel is above the level of the surrounding terrain, an earthquake would have a more devastating effect than the floods which previously threatened the area.

In his reply, Ludvik Waniek, corresponding member of the Czechoslovak Academy of Sciences [CSAV] and "senior researcher" at the CSAV's Geophysical Institute, first concedes that the area in question is "one of the seismically active areas" in Czechoslovakia. He then reviews various studies carried out by Czechoslovak, Hungarian, and Soviet seismologists 20 years ago, prior to the start of construction, all of which "clearly reveal" that the intensity of an earthquake would not exceed 6 degrees on a 12-degree scale. Waniek continues: "No seismic occurrence in the area over the past 20 years has denied the validity of these expert appraisals. Conjectures have now appeared, especially in the Hungarian

press, which call the results of this scientific work into question. We would like to know about the latest specific observations of Hungarian specialists, which, allegedly together with other factors, led the Government of the Hungarian People's Republic to decide about a provisional construction stop at Nagymaros. Such scientific material has not been made available to us to date, but we are prepared to discuss it." Waniek's reply is supplemented by Vladimir Lokvenc, CSSR Government commissioner for the dam project. He, too, refers to various studies and "macroseismic observations" which prove that "over the historically known period" no earthquake in the area exceeded 6 degrees on a 12-degree scale and that the threat of an earthquake in the Nagymaros area is even lower than in the Gabcikovo area. Lokvenc also points to the example of Japan, whose territory is "seismically far more active" than the area of the Danube, and which, in defiance of this fact, is building hydroelectric power plants and other large-scale technical projects.

The next question raised in the discussion concerns the impact of the project on the level of underground water and the fate of wetland forests. The question is answered by Vladimir Lokvenc. First he points out that even today the level of underground water is "far from stable" and that during dry periods the forests suffer from a shortage of water and during rainy period from too much water, both extremes being very damaging. He then describes the technical solution of the supply channel and of the Hrusov-Dunakiliti reservoir, saying that this solution will permit the regulation of underground water levels by making it possible to replenish underground water resources with up to 800 cubic meters of water per second. Lokvenc also replies to those readers who criticize that too many trees were felled to make room for the project. He says that only 2,560 hectares of forests have been felled on Czechoslovak territory, which is less than the mere construction of levees to improve flood protection on the Czechoslovak section of the Danube would require. It must also be remembered, he says, that the project will protect 165,000 hectares of land against floods.

The positive impact of the project on the state of forests in the area is confirmed by Peter Danisovic and Andrej Durkovsky, employees of Hydroconsult Bratislava, the general designer of the project. They note that the composition of wood species in the area is now deteriorating, with soft wood species (poplars, willows) are increasingly replacing the more valuable and original hard wood species, and that the planned measures will redress the balance and allow "intensive forestry" in the area. Oto Misut, candidate of sciences, from the Research Institute of Water Management in Bratislava, too, argues that, after the completion of the project, "conditions for the healthy growth of wetland forests will be better than until now" and that the area which they cover can be expected to expand.

Next, the panelists reply to reader Anton Cyprych, candidate of sciences, from Bratislava and to members of the primary organization of the Czech Union of Nature Conservationists from Prague-10, who reportedly criticized the fact that ecologists had not been consulted before construction started. Oto Misut denies this, saying that "ecological aspects of the project have been considered from the very beginning and in great detail." He is seconded by the other panelists, who refer to various ecological studies and surveys that have been carried out, many of them in cooperation with Hungarian scientists.

The next question reads: "In their joint letter Emil Hadac, corresponding member of the CSAV, Engineer Josef Vavrousek, and Ivan Makasek, doctor of natural sciences, express the opinion that our mass media do not publish all data on the real and potential negative consequences of the construction and operation of Gabcikovo-Nagymaros, or tear them out of context and belittle them inordinately. They also propose that a commission be set up soon consisting of both supporters and opponents of the project in its present concept. This commission should include experts from the interested states, as well as invited experts from other states. It could consider today's situation and recommend its optimal solution. Is such a commission necessary and would it be of some benefit?"

The first to answer this question is Academician Juraj Hrasko, director of the Research Center for Soil Fertility in Bratislava. He says that a joint commission of the Slovak and Hungarian Academies of Sciences, chaired by Academicians Weismann and Berczik, has been meeting for about 10 years and that, in his opinion, this commission should be the "first forum for discussing possible objections" to the project. Hrasko also points out that "recently, no new substantive arguments have been put forward in this commission of experts by the Hungarian Academy of Sciences." This negative view of the proposed commission is shared by Karol Kosorin, head of department at the Center for Geoscientific Research of the Slovak Academy of Sciences, and Zdenek Hubacek, researcher at the CSAV's Institute of Landscape Ecology. Kosorin says that the variant being built is based on extensive research by Czechoslovak, Hungarian, and Soviet experts dating back to 1963 and that, therefore, "it is not realistic to expect any commission to arrive, in several months' work, at such new facts and arguments as would—given a comprehensive, that is, both national economic and ecological assessment of the project—prevail over the knowledge on which the adopted solution is based." Hubacek emphasizes the competence of the experts who have been working on the project thus far and their intimate familiarity with the issues involved. He therefore describes the call for an independent appraisal by foreign experts as "naive, to say the least, from both the scientific and practical viewpoints." He invites, however, "all responsibly thinking and qualified experts" to become involved in the existing cooperation between Czechoslovak and Hungarian scientists.

The last questions raised in the roundtable discussion concern the impact of a possible failure of the Hungarian side to build its part of the joint project. They are answered

by Zdenek Hubacek and Vladimir Lokvenc. In his reply, Hubacek says, among other things: "Should the Hungarian side insist on the non-construction of the Nagymaros section, this would upset the entire jointly approved concept. If we are unable to generate peak-period electricity, the Gabcikovo hydroelectric power plant will lose, from the energy viewpoint, one of its main raisons d'etre. In other words, if this concept prevails (and I hope that it will not), it will mean damage to the landscape, because ecological measures aimed at the creation of a regime for regulating underground water and flooding, and so forth, will not be completed or will be weakened. There will even arise additional nonproductive costs resulting from the nonutilization or even removal of some already implemented projects that will lose their purpose. At the same time, protective measures against floods will have to be built anyway." Hubacek therefore expresses the hope that "common sense will prevail" and that the project will be "comprehensively completed," including measures protecting the environment.

Lokvenc's reply reads: "When the Hungarian Government unilaterally suspended the construction of Nagymaros, we thought that it only wanted to use the break of 2 months to become clear about some issues. Gradually, however, Hungarian media started to speak about new scientific findings from the viewpoint of seismic safety, about the deterioration of the quality of water, and so forth. But time is running and we are still waiting for the scientific substantiation of these assertions made by Hungarian media. During negotiations held a few days ago, the Hungarian representatives noted that they have various materials. So far, however, they have not submitted any of them to us. As a government commissioner, I am therefore in a very bad situation because I am unable to tell our experts what to prepare for, what to debate." Asked about the financial and legal aspects of a Hungarian construction stop, Lokvenc says: "Certain calculations have been made but, of course, we must come to an agreement with the other side. At any rate, the damage amounts of tens of billions of korunas. The sum involved is thus not small. Had the construction of Nagymaros not been reckoned with, Gabcikovo would, naturally, be conceived quite differently.

"To put it in a nutshell, one can say that the decision of the Hungarian Government runs counter to all accepted practices. The international legal instrument which regulates all issues concerning interstate treaties is the multilateral Vienna agreement on contractual law of 1969. This agreement has been signed by both the CSSR and the Hungarian People's Republic."

The transcript of the roundtable discussion ends with an editorial remark noting that in the meantime, on 27 June, the Hungarian side submitted its background materials for negotiations and that these materials are currently "being studied."

Commentary on MSZMP Central Committee Session
AU3006102889 Bratislava PRAVDA in Slovak 27 Jun 89 p 6

[Vojtech Vesely commentary: "An Active Compromise; After the Discussions of the Hungarian Communists"]

[Text] Recently the atmosphere in the leadership of the Hungarian Socialist Workers Party [MSZMP] has reflected alarming tendencies. Differences of opinion have taken on the character of personal disagreements and fractional alliances. Personal communication between the leading officials, according to a statement made by one of them, has declined to a minimum. This has introduced confusion and doubt into membership ranks on the threshold of pre-congress preparations. There has been the threat that the party will split up and vacate its position in society to other political forces which are waiting impatiently for such an opportunity....

The outcome of last week's session of the MSZMP Central Committee shows that the most acute danger of a schism has been reversed and that a joint platform has been formed which is acceptable to the majority of supporters of individual trends and wings. It developed as a compromise and as a display of responsibility for the fate of the party, the country, and the whole of the socialist community. It was, literally, the outcome of a laborious debate because 92 speeches were heard on the situation in the party, in the country, and on the tasks which the October congress is to resolve.

The adopted document containing the stand of the Central Committee on the situation in the party and on its political aims is rather closer to the ideas of the supporters of radical reforms than to the ideas of their opponents but, in essence, it correctly and, especially, realistically expresses the specific Hungarian model for the development of socialist society.

First and foremost, it indirectly rejects the claim that the party is incapable of solving contemporary problems. It enumerates the decisive steps which the party has undertaken for the democratization of the political system, for the creation of a state based on the rule of law, and for the acceleration of the restructuring of the economy. It initiated a clarification of the events of recent decades, including the role which the party played in them. According to the document, the source of tension in the party is not the very existence of diverse currents, but is the fact that, so far, a consensus has not been reached between them, and that neither in the Central Committee, nor in the Politburo have many important ideological issues been elucidated.

The statement stresses that the party is advocating a change to the model, not abandoning socialism, and that this transition, which involves the resolution of political conflicts that it will inevitably bring, can only come about by a nonviolent method.

It is necessary to regard as particularly significant, the clear rejection of "the right wing, in some cases, extremely inflammatory pronouncements which, particularly in the last few weeks, have aroused repugnance among broad circles of the public." The Central Committee rejected as decisively as possible the anti-Soviet views which are threatening the interests of the country. It is distancing itself from such a one-sided "national" understanding of the interests that seek to set the country against neighboring states. "We can build the future of Hungary only on the foundation of the development of ties with neighboring, European, and all countries of the world. Those who, in an attempt to win popularity, are recommending another policy are arousing suspicion against our country and are casting our people into danger," says the Central Committee statement.

The Central Committee has formulated the aims of the Hungarian communists as follows: democratic socialism, a state run according to the rule of law, parliamentary democracy relying on a multiparty system, and a market economy with a determining role being played by social ownership. In the ideological sphere, the party is working toward the preservation of the values of Marxism, leftist, socialist, and humanistic ideals. It wants to become a vigorous political movement, a party oriented toward the resolving of social and economic problems, for which it wants to gain the mandate of the people in free elections.

In international issues, it is for the assertion of national interests while respecting realities. Hungary is to strive for the gradual and mutual reduction of armed forces as a member of the Warsaw Pact.

It is necessary to say that while consensus on these fundamental issues conditions all the other deeds of the Hungarian communists, it is not a substitute for them. A rocky road still leads from words to deeds because they have to unite trends which are still a considerable way apart and nor will ill-wishers of the party and socialism remain inactive. Organizational changes—the shaping of the Presidium as an institution of the collective leadership of the party and of the expanded political executive committee—can become a factor increasing the flexibility and capacity for action of the whole party. And that is the main issue.

Pensioner Criticizes Leadership's Policies

AU2906095789 Bratislava PRAVDA in Slovak 23 Jun 89 p 4

["Speech by Comrade Herbert Durkovic, Member of the CPSL Central Committee, Pensioner, From Dubnica nad Vahom" made at the CPSL Session Held on 22 June in Bratislava]

[Text] We know that the survival of socialism and the new quality of its economic growth are conditional upon the mastering of scientific-technical development. We are not managing this. Scientific-technical development is a key issue of social restructuring but time is working firmly against us. Whoever today stands still will find himself among the stragglers and tomorrow will be even further behind. Our chance of being successful is sharply declining. We lost many years in coming to terms with scientific-technical development and we are falling ever further behind. At present, our society, from an economic point of view, in appraising its level against world criteria, finds itself on a par with Tunisia, Algeria, and Peru, it is already lagging considerably behind countries such as Portugal. So far, a turnaround for the better is not on the horizon. It is necessary to realize that the capitalist system is not in a state of decay as we supposed, but on the contrary, has found in itself the ability to adapt to the new conditions which the scientific and technical revolution provides. It makes use of these possibilities which manifest themselves in the quality of their product, in the productivity of labor, and in the efficiency of making the most of production resources.

How we will master scientific-technical development is not immediately decided by the technician, the technologist, or scientific research. The center of gravity is in the political sphere. Fundamental political approaches have determined and continue to determine our results in the sphere of utilizing science and technology. Without a breakthrough in political approaches is it not possible to achieve more significant success here.

I think that the policy decides and bears responsibility for the concept and quality of the adopted documents as far as the restructuring of the economic mechanism, the new arrangement of the organizational structures, and the course of restructuring itself are concerned. Today in fundamental issues we must not make mistakes. Socialist society, after all, cannot bear any more of this. But we are making mistakes, unfortunately, even today. I tried to convince others, and am still trying, that the economic mechanism has within it many mistaken approaches, that it is, first and foremost, a levy mechanism and not a mechanism for the creation of resources. After all, creation should always be the main thing. The possibility of coming to terms with scientific-technical development is not contained in this mechanism. Responsibility for the strategic management of the economy and for the drafting of state economic policy is today even borne by the center in capitalist countries. However, we are continuing to break up manufacturing structures and consolidated economic subjects without any kind of concept and we even announce this as a program although we know that to bring to life even a correctly chosen new organizational structure will take at least 5 years. First the strategy, the program, and then the structure—that is the basic logic of the creation of organizational structures. World development is going in the opposite direction—toward the further concentration of production, understandably, while increasing the economic independence of lower structural units. In our country the new structure must also be a matter of the strategic management of the center and international agreements, entrepreneurial subjects must fulfill them concretely and not

the other way round. In such a way we would become the trash can for products in which our neighbors, for various reasons, have no interest, and this process is already taking place today. Under our conditions the center must bear responsibility, within the framework of the strategic management of society, even for the fundamental systemic issues of this society which are beyond the possibilities of individual entrepreneurial subjects, for providing society with information, and for the scientific-technical and commercial and economic information systems which are essential for economic enterprise. The fact itself that a certain view on the solution is given in advance of the character of a political solution does not contribute to the wisdom of this decision, nor does it add to its persuasiveness and efficiency. The documents defining the basic approaches and policies in the restructuring of the economy are tainted by insufficient time, the subjectivity of their compilers, and are quite one-sided and imperfect. Contemporary world knowledge of economic development was insufficiently used in them. In this sense, the documents must be finalized and even changed in many ways.

Even if we approach our further development optimistically we must not live off illusions about the early qualitative breakthrough in the economy. For the very preparation of senior managers is a long-term task and so far we have hardly even started on its resolution. It is impossible to immediately consider the quality of decisions made at the highest level. The quality of strategic decisions manifests itself in the long-term, in 10 and more years. Our unsatisfactory situation in society is a consequence, first and foremost, of mistakes in decisions made at the highest level in the past and it is not possible to change this all at once.

For example, what is the use of requiring in our country around 60 administrative operations for the approval of one license agreement, the consent of around 20 institutions, and a time period of more than 2 years when the proposal itself on the decision is, in principle, mistaken. The number of signatures and the number of involved institutions will not compensate for the quality of the decision itself. Precisely on the contrary, it leads to buck passing and irresponsibility and to anonymity in decisionmaking.

The level of the management of people has a vital place in managerial work. In management there is nothing so dangerous as an unrealistic evaluation of the situation. We must count on such values as really exist and are typical and predominant. If in his work a senior manager was to rely only on the desirable traits of people—consciousness, activity, selflessness, and enthusiasm—which are today more often than not fictitious and exist as a far off ideal of the future, he will not be a success in management. The best intended effort will founder and he, on the contrary, will convince the people around him about his own naivite and incompetence.

Today modern management in fact replaces the categorical imperative between the manager and the managed with another relationship—the participation of the collective in management. One strives to ensure that the subservient employee feels like a colleague. Relations between the manager and the managed employees in the world are being strongly democratized in the interest of higher aims and the appropriate material incentive for the working collective corresponds to this. The unfavorable situation in our economy is not only a result of the non-participation of the working collectives in the administration of property. There are here other important factors—the low level of management in the entire vertical structure and the provision of social security without firm ties to efficiency, the malformed nationwide atmosphere, in which, for example, the manager-managed relationship was not in our country a relationship of the above mentioned categorical imperative. Confusion and chaos in fundamental ethical and other values, such as the low level of discipline, the low level of knowledge and qualifications, insufficient penalties and a uniform view of the merit principle, and other things have created an overall atmosphere of the low efficiency of the socialist economy.

At present we are electing senior managers at the highest level. Today elections are obviously the most attractive activity of self-management bodies, of the councils of workers collectives. Experiences so far mostly indicate that this is rather a formal act because only in a minority of cases does the involvement of the working collective find expression. And even in these cases this does not always lead to a new quality of high-level managerial employee. Neither can it objectively, for our conditions do not enable this. In general, in our country we do not have the employees who could be selected beforehand and thoroughly prepared for high-level management activity. It is indeed to the detriment of the cause that in this such an unusually important issue the results and experiences are not evaluated and not generalized in the center, nor in the theoretical sphere.

I will enumerate several facts which, I think, rather weaken and undermine the principle of eligibility:

— The principle of selecting a manager on the basis of competition appears at first glance to be unusually attractive. If, however, we consider it through the prism of our present and our possibilities, in the very near future it will not lead to an improvement in the quality of the management structures. We have neither qualified managerial employees nor are we preparing them and this means that even in future years we will not have them. So far we have done nothing fundamental to ensure that talented, politically and professionally prepared people are placed in managerial functions. The present managerial structures are at a low level, it is necessary to change them, but today we have no one to replace them with.

—At the present level of managerial structures the election of a manager leads to the strengthening of the amateur element in management and not to what the election of a manager pursues—an improvement in the quality of managerial structures.

—The principle of eligibility should be according to the level of competence. The rank and file member of the working collective is, in harmony with his qualifications, competent to elect his senior working group, foreman, and workshop leader. But probably not the head of production and certainly not the more senior economic functionaries of the plant, enterprise, association, and combine.
—Eligibility according to the attractiveness of the program, with which individual candidates stand before the collective, is an idea which under our conditions has practically no space. A candidate cannot have a program any different from that of his opponent. There exists a plan which presupposes certain resources and these are already in their decisive part directed beforehand. The candidate cannot fundamentally change this predetermination.
—The principle of eligibility does not mean increasing the authority of the elected manager. I see no reason why the working collective should be more disciplined, more diligent, and less indifferent due to the fact that it elected the appropriate employee into the function.
—The principle of eligibility brings a danger of the implementation of a short-term outlook and the suppression of the conceptual longer-term approach to management. The need for immediate results puts pressure on the manager.
—The principle of eligibility generates the elected employee's uncertainty at work which is conditioned by the momentary opinion of the working collective.
—The principle of eligibility brings to the candidate for the managerial function who was not elected a certain disqualification for managerial activity in the future.

I am of the opinion that the election of a high-level managerial employee under today's conditions is democracy turned inside out, that it leads to anarchy in production and is not to its benefit. The self-management system cannot guarantee the most fundamental requirement for the managerial employee—his professionalism, which today is absolutely necessary.

Slusovice Chief's Article on Management Methods

AU3006122289 Prague TRIBUNA in Czech No. 25 of 21 Jun 89 pp 3, 4

[Article by Docent Engineer Frantisek Cuba, candidate of sciences, chairman of the Agrokombinat united agricultural cooperative in Slusovice: "Result Is the Only Yardstick!"]

[Excerpts] **Every year the Agrokombinat united agricultural cooperative [JZD Agrokombinat] of Slusovice analyzes the developments of the economy and agriculture in the world. Then it compares these analyses with the plans of the enterprise and the development trends in the world economy and world agriculture. These analyses have unequivocally proved that only enterprises that make full use of the findings of modern science and technology can be successful.** [passage omitted]

Today we can state that comprehensive programs really yield great profits. However, their implementation is very costly. For example: A facility for the production of regranulate [regranulat] costs Kcs32 million, but it turns in Kcs20 million annual profit. Setting up the production of containers costs Kcs53 million, but profits total Kcs50 million annually. A Marconi tester costs Kcs20 million, but it replaces more than 100 people. Although a modern insemination station with top-grade bulls costs Kcs120 million, it turns in double that figure in profits a year. A medium-size biochemical unit costs Kcs220 million. However, in the 1990's biochemistry will yield the same effect as electronics does today.

Tracking Down One's Own Unused Resources

When we wanted to realize comprehensive programs we had in the first place, to arrange sufficient financial resources. We did not have them, however. At that time bank credits available to us were very limited. Therefore we had to find unused resources in our own production, that is, in the existing production facilities and by making better use of our personnel. **Therefore, a good use of our personnel has become a long-term task for our entire united agricultural cooperative [JZD].** Both in the past and today we have been persuading our personnel about the need for higher performance in basically the same manner.

We are telling our personnel that, compared with the world, they are working fewer hours, moreover slowly, and that their work is of poor quality. [passage omitted]

The actual work time in the CSSR is mostly less than 30 working hours a week. Time and again we can convince ourselves about this, especially from the habits which the personnel that begin working in our JZD bring with them. **Every employee loses at least 30 minutes a day as a result of starting work late and the fact that the work of a shift has not been prepared, one hour in breaks that are longer than determined, and another 30 minutes because they knock off early.** Further losses arise from the fact that the Friday shift knocks off earlier, and so forth.

Countries that have been making the most rapid economic progress are not achieving their development by means of supertechnology alone, but, above all, by working harder!

At the same time also the pace of work in those countries is 3- to 5-times faster than in our country. If we want to catch up with the world, we must deal with the work time first. [passage omitted]

Only Highest Quality

In the capitalist states it is competition that dictates the interest in improving quality. An enterprise that does not deliver top-of-the-line products does not last on the market. In our country, given the ease with which products sell and the shortage of goods on the market, competition does

not motivate interest in improving the quality of products. Therefore, we must elicit this interest by an artificially created program for quality management.

Our quality management program consists of two parts: Basic assessment and continuous monitoring. The basic assessment is done each year in November and December. We analyze in detail all our products and compare them with the world's.

Products comparable with world standards receive the "QQ" rating, products comparable with European standards receive the "Q" rating, products with a good Czechoslovak standard receive "1," products with an average Czechoslovak standard receive "2," and poor quality products receive "3."

After the assessment we decree that the manufacture of products which have been rated as class 2 and 3 ceases as of 1 January of each year. [passage omitted]

The quality management unit's staff assess products that are being sent to the market every day. And, again, they rate products as class Z, [as published] 1, 2, and 3. When a product is rated as class Q, the enterprise pays the manufacturer, that is, the operation, a 10-30 percent bonus of the daily takings. However, if a product is rated as class 2, a levy [odvod] amounting to 30 percent of the daily takings is imposed on its manufacturer, that is, on our operation. In addition to reduced takings, all technical-economic personnel (the director of the enterprise and his deputy, the head of a manufacturing operation, and the foreman) are financially affected by a Kcs5,000 levy. However, not only the technical-economic personnel are affected, but also the rank-and-file employees. The daily bonus of every employee that had a part in the manufacture of a lower-standard product is reduced by 30 percent.

Should a product be rated as class 3, the sanctions are even stiffer. In addition to a 100-percent daily takings levy; in addition to a levy of Kcs10,000 from the account of the director and his deputy, of the head of a manufacturing operation, and the foreman; and in addition to revoking the daily bonus to all personnel involved, the problem must be discussed by the enterprise organization of the Czechoslovak Communist Party and by the board of the enterprise.

Should a product's class 3 rating repeat itself a few times, according to the regulations, the given work site must be abolished or disbanded.

All information about the quality of our personnel's work are monitored by the quality management unit on a computer, in which there are the names of all those who were party to poor quality. Should the name of an employee crop up in the computer several times, he must leave the work site. It is obvious that such exacting measures of the quality management unit and committee give rise to considerable counterpressure. Many employees use as an argument the fact that users often write letters of thanks to them, while we impose sanctions against them. Particularly the manual employees militate against the pressure for quality from time to time. The manual employees' counterpressure is very strong. [passage omitted]

How To Get Hold of Modern Technology?

The greatest problem pertaining to the modernization of a work site is the scarcity of modern technology. If we want to restructure our work sites to be comparable with the work sites in the advanced countries, we must buy technological equipment abroad. This is because in the majority of cases neither our enterprises nor the enterprises in the CEMA countries manufacture the necessary technological equipment. Such equipment, as a rule, is manufactured in the FRG, the United States, France, and other industrially advanced countries.

The JZD management studied the reasons why top-of-the-line technological units are being manufactured neither in the CSSR nor in the JZD Agrokombinat Slusovice. We have come to the conclusion that we in the CSSR do not have the prerequisites for the production of these technological units.

If we look at who manufactures top-of-the-line technological units, for example, in the FRG, we see that it is, **above all, small and medium-sized enterprises.** Whereas large enterprises devote themselves to mass production (for example, to the production of automobiles, robots), small and medium-sized enterprises manufacture partial technological units.

In the CSSR we do not have enterprises that would manufacture top-of-the-line technological units. **The reason we do not have them is that we have incorporated them into large enterprises.** [passage omitted]

The circumstances connected with the size of enterprises also concern our JZD. **The JZD Agrokombinat Slusovice is trying to resolve the shortage of small enterprises, which are involved in the manufacture of technological elements, by setting up the so-called scientific-technical development plants. Their task is to manufacture and systematically perfect partial technological elements.** [passage omitted]

The JZD Agrokombinat Slusovice balances the unfavorable influences of being a large enterprise not only by setting up scientific-technical development plants. In addition, the JZD Agrokombinat Slusovice has also set up its own so-called **small and family plants.** Their task is to produce a wide range of various products that are lacking on the market. Members of the cooperative usually work in the small and family plants after working hours, as a second job. **The small and family plants are allowed to sell their production only to the enterprise, that is, to the JZD Agrokombinat Slusovice. Infringement of that stipulation, as a rule, results in their closure.** [passage omitted]

In the JZD Agrokombinat Slusovice there are currently 14 microstructures, 79 plants, and 39 small and family plants and scientific-technical development plants. (In the long run, however, we would like to have at least 300-500 of them). We also have 190 manufacturing operations and 1,127 work sites.

To manage such a great number of independent organizational units by command is impossible. Therefore, already more than 10 years ago, the JZD management created an activation-economic management system.

We had to create the corresponding prerequisites for this system. We have created these prerequisites by means of an intraparty self-financing system.

In order that the intraparty self-financing system could function, we had to abandon the existing bookkeeping system. This is because that system was unwieldy, slow, costly, supplying inadequate information about vital problems and, in particular, did not lead to the activation of the personnel. Our Czechoslovak bookkeeping system is good only for controllers and auditors.

This bookkeeping system was unable to tell technical-economic or rank-and-file personnel making decisions whether they were making correct or wrong decisions at that moment.

Therefore, we in the JZD Agrokombinat Slusovice have significantly altered and simplified that system; we have introduced basic new evidence and adopted a new system for processing economic information by means of an intraenterprise data bank.

The processing of economic information by means of the intraenterprise data bank requires less than half the bookkeeping operations. Therefore, it is very inexpensive, very fast, and provides information which can correctly orient any employee at any given time.

The intraenterprise data bank system makes it possible to fully cope with any number of organizational units and, at the same time, create conditions for a high degree of their independence.

The system has enabled us to transform every employee into an independent manager and entrepreneur, and thus elicit in him the feeling of independence, which motivates great activity and the initiative of all people.

The primary CPCZ organizations have always been in favor of the realization of all new measures. **They favored them because they have always been convinced about the correctness of all measures. To make Communists convinced of the correctness of all measures, the CPCZ enterprise committee and the JZD management had to thoroughly explain every problem to the Communists.** [passage omitted]

Stepan Condemns 'A Few Sentences' Manifesto

AU0307140889 Prague RUDE PRAVO in Czech 30 Jun 89 p 1

[Nada Adamickova report: "Troja Chateau in Prague Made Accessible Again; Witness to Cultural Maturity"]

[Excerpts] Prague (From our correspondent)—"I am surprised by the beauty and high standard of the whole project and by the magnitude and quality of the work accomplished here, which one does not even realize right away. I appreciate and regard highly the fact that the city put the property in order and that people will be using it for cultural and social events, that it will become the property of thousands, of millions," these were the words with which CSSR President Gustav Husak expressed his feelings during the opening of one of the major monuments of baroque architecture—the newly renovated Troja chateau in Prague—on Thursday [29 June]. [passage omitted]

The ceremony in the Godyna hall, the largest hall of the chateau, was also attended by Comrades Jan Fojtik, Miroslav Stepan, Vasil Mohorita, Zdenek Horcik, and others.

In a speech Comrade Miroslav Stepan stressed: "Respect for monuments and for the past in general and their renovation have a long tradition in our history. [passage omitted] Without an attitude to the historical heritage and to cultural values we would not be a nation. Without renewing the monuments' authentic social use, without democratizing access to them, without making them accessible to all layers of people, we would be impoverishing the wealth of our socialist society. This holds even more true today, in a period of stormy changes. The loss of historical memory, the reluctance to learn from the past, or disrespect for the past, for the accomplished work and created values, are also incompatible with the processes of restructuring and democratization, which we implement on the initiative and under the leadership of the Communist Party of Czechoslovakia, with the aim of strengthening the advantages of socialism, consolidating its guarantees and gains, and safeguarding a happier and more contented life for the people." [passage omitted]

"We hope that the reconstructed Troja chateau will be the venue of good culture celebrating the present and the past and having nothing in common with those who, from the position of some sort of conscience of the nation or conscience of the culture, are calling for a change to the social climate, into which, in their opinion, the spirit of the so-called freedom, trust, tolerance, and plurality ought to return. They do not hide their antipeople, counterrevolutionary intentions. They once again express this in their antipeople, antistate circular 'A Few Sentences'."

In conclusion, Comrade Stepan once again voiced appreciation for the work of all those who had invested their skill, ambition, and patience into the reconstruction of

the chateau and thanks to whom, a small jewel representing our socialist society, its cultural maturity, traditions, and potentials, is being handed over to the residents of Prague, all Czechoslovak people, and foreign visitors.

Hostage-Taker 'Drug Addict, Psychopath'

AU3006103089

[Editorial Report] Prague PRACE in Czech on 28 June on page 2 carries a 600-word article by Renata Havranova under the headline "A Night Full of Horror" in which she reports on the recent hostage affair in Bratislava, and reveals that the perpetrator, Frantisek Muller, was a "drug addict and psychopath," and that no political motives or demands were involved.

In her report, Havranova quotes Lieutenant Colonel Jozef Pindroch, the deputy chief of the Public Security Corps City Administration in Bratislava. Pindroch says, "We managed to get in touch with Muller by telephone, but his demands were absolute nonsense. He did not want to cross over the border into Austria as we had assumed, but, imagine it, he demanded a car and an escort to the freeway leading to Brno." Pindroch goes on to say that Muller became more and more agitated and continually repeated his demand for "a car, money, alnagon [a painkiller], and cigarettes."

At the end of her report, Havranova asks what could have led the young man to commit such a brutal act. The police authorities informed her that Muller had been "convicted four times, once for committing bodily harm. As they informed us from South Bohemia, in the past he indulged in taking volatile substances. Now experts will look into his mental state."

Graduates of Military Schools May Leave Army

AU3006092089 Bratislava PRAVDA in Slovak 27 Jun 89 p 3

[Article by Colonel Vladimir Vrbica from the Command of the Eastern Military District, Trencin: "A Word to Secondary School Graduates; Possibilities of Study at Military Colleges and 1-Year Officers' Schools"]

[Excerpts] Thousands of boys throughout our country have only recently passed their final exams at the secondary schools. Now they must decide what they want to do in life and in which way they want to be beneficial to society and their families. [passage omitted]

Studying at a military college is equivalent to graduating from a civilian institution of higher learning, including universities. Moreover, military colleges also train highly specialized experts which civilian schools cannot prepare. With the modern classes and training facilities, the standard of accommodation, the conditions for study, the expertise of commanders and pedagogues, and the opportunities for culture, sports, and social life which they offer, military colleges rank among the best institutions of higher learning.

Throughout the duration of their studies, students are fully provided for in material and financial terms. [passage omitted] A major novelty compared with the past is that, effective from 1989, students of military colleges choose the terms of their service. They can either become professional soldiers, in which case they commit themselves to perform service in the Czechoslovak People's Army until they reach a certain age: Those who have reached the rank of lieutenant colonel, for example, serve until they are at least 45 years of age. Or they can become soldiers in extended service [vojaci v dalsej sluzbe], in which case they are obliged to serve three times the duration of their studies. In the case of a 4-year course of study, for instance, this means 12 years.

Most military colleges are already full; dozens of applicants could not be admitted because of lack of places. Nevertheless, we still offer to secondary school graduates who meet the political and medical criteria and who decide to become career soldiers the possibility of enrolling at the A. Zapotocky Military Academy in Brno; the Military Technical College in Liptovsky Mikulas; and the Higher Military School of Ground Forces in Vyskov. The academic year in all these schools starts on 1 September 1989.

There are secondary school graduates who, for various reasons, do not want or cannot continue their studies at an institution of higher learning. [passage omitted] The army command is interested in some of them, especially those from construction and engineering professions. Instead of 2 years of basic military training, they are being offered the possibility of attending the 1-year officers' schools in Martin and Zilina. After completing school, they acquire the rank of second lieutenant and can either opt for extended service of 3 years and then leave for civilian life, or they can become career soldiers. [passage omitted] If, at a later stage, they decide to study at a military college, they enjoy the same social support as career soldiers. [passage omitted]

Honecker Sends Condolences on Gromyko Death

LD0307171489 East Berlin ADN International Service in German 1549 GMT 3 Jul 89

[Text] Berlin (ADN)—Erich Honecker, General Secretary of the Socialist Unity Party of Germany Central Committee and chairman of the GDR Council of State, has sent the following telegram to Mikhail Gorbachev, general secretary of the CPSU Central Committee and chairman of the USSR Supreme Soviet, on the death of Andrey Gromyko:

We have learned of the news of the death of the former chairman of the Presidium of the USSR Supreme Soviet, for many years a member of the Politburo of the CPSU Central Committee, and USSR Minister of Foreign Affairs, our friend and comrade, Andrey Andreyevich Gromyko, with great sorrow.

It is my sincere wish to express to you, honored Mikhail Sergeyevich and through you, to all the Soviet people as well as the relatives of the dear departed, our deeply felt sympathy. With you, we are mourning an important functionary in the party of Lenin and of the Soviet state, an internationally highly esteemed politician and statesman who dedicated his whole life self-sacrificingly to the causes of socialism and peace.

In Andrey Andreyevich Gromyko, the GDR is losing a sincere friend, who made a great personal contribution to the development of the fraternal relations between our parties, states, and peoples.

The people of the GDR will always remember Andrey Andreyevich Gromyko with honor.

Paper Positively Assesses Meeting in USSR

LD0307120789 East Berlin ADN International Service in German 0143 GMT 3 Jul 89

[Text] Berlin (ADN)—The friendly meeting between Mikhail Gorbachev and Erich Honecker in Moscow, which set a further milestone for the expansion and deepening of the fraternal cooperation between the USSR and the GDR, and the warm-hearted meetings between the highest representative of the Socialist German state of workers, peasants, and the iron and steelworkers in Magnitogorsk met with a lively and approving response in the GDR. "Over and above this, Erich Honecker's visit to the USSR was worthy of great international attention, and for a good reason," the newspaper NEUES DEUTSCHLAND states today in an editorial headlined "Friendship, Class Alliance, and Proletarian Tradition."

The paper emphasizes that the two states and parties, based on the unanimity of the points of view on the principle questions of foreign policy and socialist construction, are purposefully expanding their relations, which are traditionally on a high level, for the good of their peoples, and are raising them onto a new level.

"It is of the greatest significance, especially with the present complicated world situation, for the GDR and the USSR to express their resoluteness to intensify their cooperation in implementing the joint peace policy of the Warsaw Pact states," NEUES DEUTSCHLAND writes, and underlines the unanimous opinion of the two politicians that it is necessary to lend continuity and a new dynamism to the disarmament process. "Any measure for the elimination of nuclear and chemical weapons and for the reduction of conventional armaments has to start from the necessity of guaranteeing all states the same security, and start from a complete respect of the sovereignty, territorial integrity, and independence of each and every state in its present borders."

The editorial stresses that Erich Honecker assessed the recent visit of Mikhail Gorbachev to the FRG as a significant contribution to the further improvement of the situation in Europe. The consistent efforts of the USSR and its allies for disarmament and detente had created preconditions for the development of a beneficial cooperation and a trusting atmosphere between the states on the continent, including the FRG, the GDR newspaper quotes Erich Honecker as saying.

"Now the military confrontation must be eliminated, peace has to be made more secure. The far-reaching proposals made by the countries of socialism, their unilateral steps for the reduction of their armed forces and defense expenditure require an adequate response from NATO. The GDR and the USSR view the proposal made by U.S. President Bush at the NATO summit as a step in the right direction," says NEUES DEUTSCHLAND.

The paper recalls that in Moscow, Erich Honecker reaffirmed the unanimous support of the SED and all the people of the GDR, for the course of the 27th Party congress and the 19th union Party conference of the CPSU for the renewal of Soviet society. With perestroyka, the CPSU has tackled an extremely difficult, complicated, but necessary process, which has decisive significance for strengthening socialism and securing world peace.

From the remarks made by Mikhail Gorbachev, the statement is repeated that the existence of the German socialist state, which is consistently pursuing a peaceloving foreign policy, full of initiative, and which speaks decisively in favor of respecting the existing political realities on our continent, exerts an agreeable influence on the situation in Europe and in the world. He had characterized the stable and dynamic development of the GDR as being of considerable consequence for the strengthening of socialism.

The paper then concerns itself with questions of economic and scientific-technological cooperation, as well as relations on an idealogical and intellectual-cultural level. In conclusion, NEUES DEUTSCHLAND states

"During the festivities for the 60th anniversary of Magnitogorsk, during the visit to the iron and steel combine, during the meeting with veterans and Lenin pioneers, and not least during the public festival, it could be felt how happy our Soviet friends are about the fact that the German antifascist and first man in the socialist fraternal country of the GDR is one of them, a "work veteran from the Magnitogorsk combine," their honorary citizen. Here the proletarian, class basis of our fraternal alliance, and our friendship was evident, and during these days a new chapter was added to its history."

FRG Minister Seiters Arrives, Holds Talks

Fischer Receives Seiters

LD0407204389 East Berlin ADN International Service in German 1319 GMT 4 Jul 89

[Text] Berlin (ADN)—Oskar Fischer, the GDR Foreign minister, today met FRG Minister Rudolf Seiters for official talks in the Ministry of Foreign Affairs.

In the discussion which was factual and open, Oskar Fischer referred to the fact that according to the GDR, the two German states have an especially great responsibility for peace, disarmament, and detente. This naturally suggests reaching an agreement on increased cooperation in questions of disarmament and security. This was also in accordance with the basic treaty. Oskar Fischer made concrete proposals for this.

In addition, questions of the development of the relations between the two German states were discussed. It was emphasized by both sides that the joint communique on the occasion of the official visit by Erich Honecker to the FRG in September 1987 was a realistic program for the expansion of mutually advantageous cooperation.

Oskar Fischer expressed his concern that in the FRG the calls are increasing for the "restoration of German within the 1937 borders" and that at the weekend in Hanover, Bonn ministers, too, had taken part in this.

Fischer, Seiters Exchange Toasts

LD0407205889 East Berlin ADN International Service in German 1400 GMT 4 Jul 89

[Text] Berlin (ADN)—The two German states are united in the responsibility for peace and security. This was stated by the GDR Foreign Minister Oskar Fischer and Rudolf Seiters, the FRG Minister for Special Duties and head of the FRG Federal Chancellor's Office, at a luncheon given in Berlin in the Unter den Linden Palace on Tuesday [4 July] by the GDR foreign minister in his guest's honor. Also present were Joachim Herrmann, member of the Politburo and secretary of the SED Central Committee, Dr. Guenther Maleuda, deputy chairman of the GDR State Council, Dr Herbert Weiz, deputy chairman of the Council of Ministers, Frank-Joachim Herrmann, state secretary and head of the Chancellery of the Chairman of the State Council, and other figures in GDR social life.

A wide range of interesting issues had already been discussed in the talks, said Oskar Fischer in his toast. There were views which agreed, but also, as was only to be expected, differing viewpoints.

The GDR and the FRG have made a considerable contribution to the creation of the treaty on the removal of the medium-range missiles of the USSR and the United States, Fischer stressed. This course of reducing weapons must be continued. As a result of the shared realization that all must be done to ensure that never again does war, but only peace, emanate from German soil, both German states should be constantly examining what they can do alone or together for disarmament and detente. What is needed today is decisions by those bearing political responsibility in favor of mutual incapacity to attack, of security partnership, of peaceful cooperation. The states of the Warsaw Pact have put forward far-reaching realistic proposals on this. What is needed now is a NATO stance which leads away from the doctrine of nuclear deterrence, from modernization.

The GDR is in favor of the implementation of the Helsinki Final Act as a whole, in order that the CSCE can be retained and strengthened as the most important element of European detente policy, Oskar Fischer explained. The prospect for the principles of sovereignty, territorial integrity, and nonintervention, and the respect for the diversity of social systems are, and remain, a fundamental prerequisite for relations of peaceful coexistence. The development of goodneighbor relations between the GDR and the FRG demands that these principles be applied between them also, without reservation. This also remains the basis of any cooperation in the extension of the so-called humanitarian dimension of the CSCE process.

The GDR is in favor of a Europe of peace and cooperation. It attributes corresponding importance, in its foreign policy, to relations with the FRG, since the climate between the two German states has a considerable influence on the situation in Europe. Since the seventies, there has been a change for the better, on the basis of the treaties. The FRG turn toward the realities of the situation is an important factor here. Oskar Fischer stressed that the two German states with different orders, and belonging to different alliances, do indeed exist. They must interact rationally in the higher interests of peace. This would be, or is, at the same time, their most important contribution to a common European house. Since Erich Honecker's official visit to the FRG in 1987, considerable progress in relations can be noted. Oskar Fischer reinforced the GDR'S determination to breathe further life into the commitments decided upon in the joint communique from this visit.

The exchange of views at political and expert level is essential for the further development of relations, even given that the two states might disagree on fundamental matters and represent partially opposed positions, Rudolf Seiters replied in his dinner speech. Within the framework of their respective alliances, they can make a contribution to the efforts for disarmament and security.

NATO has submitted a comprehensive concept for the reduction of arms and armed forces at its recent summit meeting. There must now be speedy discussion in Vienna of the core problem of European security, as a result of the existing conventional imbalance. The FRG will do all in its power to bring these negotiations to an early and satisfactory conclusion.

The first reactions from the Warsaw Pact side gives cause for hope of positive results, the federal minister said. The real contribution which the two German states can make to peaceful coexistence in Europe is beyond the questions of disarmament and arms control. Peace policy goes beyond simple military security. The goal must be a lasting, stable and just order, in which freedom, human rights and self-determination are guaranteed to all. We are today witnesses to far-reaching changes in Europe, Rudolf Seiters continued. Stability is possible only with change and adjustment to changing circumstances.

All participatory states to the CSCE process are called upon to work together on the future architecture of a Europe of peace and cooperation. One might speak here of a European peace order or a common house of Europe. What is important, is that the division of Europe be ultimately overcome.

The CSCE process has set new yardsticks, the minister explained. The questions dealt with in the concluding document of the Vienna follow-up conference affected every participatory state. The two German states should seize the initiative of the CSCE process and exploit the opportunities offered. Through a constructive development in relations, a specific contribution can be made to the development of a Europe of peace and cooperation.

We have achieved a great deal in the past through practical steps, in spite of oppositions in principle, Rudolf Seiters said. During General Secretary Erich Honecker's visit almost 2 years ago, additional impulses were given, some of which have already been implemented. However, all in all in the relations between the two German states, a great deal which a few years ago nobody would have dared to contemplate, is now possible and sometimes even self-evident. It is important to retain what has been achieved.

However, the fact should not be overlooked, that people's expectations have grown at the same time as and at least as fast as the progress made. This must be taken into account to avoid disappointments, strains on relations, and thus setbacks in relations. New efforts will therefore constantly be necessary from both sides, the federal minister said. In this connection, he advocated the continuation of talks at all levels and the continuation of a policy of practical cooperation.

Honecker, Seiters Hold Talks

LD0407211589 East Berlin ADN International Service in German 1607 GMT 4 Jul 89

[Text] Berlin (ADN)—Erich Honecker, general secretary of the Socialist Unity Party of Germany Central Committee and chairman of the GDR State Council, received Rudolf Seiters, federal minister for special tasks and chief of the FRG Federal Chancellery, for a talk today in the State Council building. During the exchange of views, current international questions and relations between the GDR and the FRG were discussed.

They both noted with satisfaction that there has been success in international relations in bringing about a change for the better. They agreed that everything possible should continue to be done to continue this process and to prevent a relapse into the times of East-West confrontation. It was stressed that in view of their exposed position in the center of Europe and in their alliance systems, the two German states could make an important contribution to this, as had already happened in connection with the treaty on the elimination of the medium-range missiles of the USSR and the United States.

Erich Honecker and Rudolf Seiters welcomed the resumption of negotiations between the USSR and the United States on halving the strategic offensive weapons and expressed the hope for positive results. There was agreement on the need, moreover, to achieve a worldwide ban on chemical weapons and a nuclear test ban as soon as possible. The partners in the talks also expressed the hope that negotiations will be conducted briskly and constructively in the Vienna negotiations on conventional disarmament and confidence- building.

Erich Honecker urged that both German states should use their influence to contribute to the success of the negotiations. He stressed that the Warsaw Pact's proposals indicated a realistic way to achieve the desired goal of mutual nonoffensive capability. The Warsaw Pact states, including the GDR, have, with their decisions on unilateral conventional disarmament, proved the seriousness of their intentions. It can only be welcomed if the FRG and NATO follow this example.

Erich Honecker highlighted the great significance of the Warsaw Pact states' proposal on an early start to negotiations on tactical nuclear weapons, especially for the two German states. They are threatened more than any others by these weapons. He opposed all efforts to attach conditions to the start of the negotiations and thus to delay them.

Erich Honecker spoke strongly against any modernization of tactical nuclear weapons, which amounted to the creation of new weapons systems and a compensation for the medium-range missiles. The GDR is in favor of making Europe free from nuclear weapons.

Erich Honecker stressed that the GDR supports the CSCE process and is doing everything possible to put the commitments contained in the CSCE documents into practice. In the building of the common European home, one must start from the existing realities, otherwise the climate will be adversely affected and cooperation in Europe disturbed.

The statement jointly made with Federal Chancellor Helmut Kohl in March 1985, that the inviolability of the borders and respect for the territorial integrity and the sovereignty of all states in Europe within their present borders are a basic condition for peace, remain unchangingly valid.

The two partners in the talks agreed that through the constructive shaping of their relations, the two German states can make an important contribution to detente and cooperation in Europe. They noted that there has been considerable progress in relations since Erich Honecker's official visit to the FRG in September 1987. The Basic Treaty and the joint communique of 8 September 1987 are the firm foundation for further positive results.

Erich Honecker said that the GDR is interested in further constructive cooperation in fashioning good-neighbor relations between the two German states. Attempts to be patronizing and interference can only harm relations. On both sides one must be guided by mutual respect for sovereignty, equal rights, territorial integrity and non-interference, and by a sense of proportion, realism and respect for reciprocal interests. Then good progress will continue.

The following took part in the talk: Foreign Minister Oskar Fischer, Frank-Joachim Herrman the head of the Chancery of the Chairman of the State Council and state secretary, Ambassador Horst Neubauer, head of the GDR's Permanent Representation in the FRG, Ambassador Karl Seidel, the directer of the FRG Department in the Ministry of Foreign Affairs, and also Dr Frank Bertele, head of the FRG Permanent Representation in the GDR, and officials Dr Claus-Juergen Duisberg and Dr Juergen Aretz.

Seiters Gives Press Conference

LD0407211989 East Berlin ADN International Service in German 1657 GMT 4 Jul 89

[Text] Berlin (ADN)—At the end of his visit to the GDR, FRG Federal Minister Rudolf Seiters briefed the international press this afternoon.

His talks with General Secretary Erich Honecker and Foreign Minister Oskar Fischer are to be classified as a contribution to the continuity of mutual negotiations. They exchanged views on the international situation and bilateral relations, without blurring the differences between the systems, he said. East-West relations were discussed, as were the disarmament negotiations begun in Vienna on the conventional sphere, and Mikhail Gorbachev's recent visit to the FRG. General Secretary Honecker gave him an overview of developments in tourist traffic, in which there has been clear increases compared with last year. The current state of negotiations in various spheres was also discussed. In this connection, Minister Seiters mentioned environmental protection and transport links.

Special Visas Required for Trips to Hungary

AU0307112589 Hamburg DER SPIEGEL in German 3 Jul 89 p 16

[Text] The GDR is closing its borders with Hungary. Only until the end of the summer season on 30 September will East German vacationers, who are going to the Bulgarian Black Sea coast, for instance, automatically obtain a transit permit to pass through the fraternal socialist country that has just made its borders to the West more permeable. After this date, GDR citizens will need a special exit visa to pass through reformist Hungary—a simple way for the authorities to filter potential defectors to the West out of the stream of vacationers.

Statement Issued on Stoph Visit to Bulgaria

LD3006231489 East Berlin ADN International Service in German 1706 GMT 30 Jun 89

[Text] Sofia (ADN)—Willi Stoph, chairman of the GDR Council of Ministers and his Bulgarian counterpart Georgi Atanasov have praised the dynamic development of friendly relations between the two countries. "Friendship, international solidarity, and common views on principle questions of socialist construction and international policy form a stable foundation for this," says a joint statement published on Stoph's friendship visit to Bulgaria, which ended today.

Economic relations have reached a qualitatively new level, the two politicians noted, and speak in favor of deepening cooperation in research, development, and production, particularly in key technologies. The two sides will for example concentrate on meeting future demand for active and passive components in microelectronics. Cooperation in comprehensive automation is aimed at raising the technological level and efficiency of production. Direct relations between about 200 combines, firms, and self-governing economic organizations, as well as research establishments of the two countries represent an effective form of cooperation, the statement adds.

The coordination of the economic plans of the two countries will continue to be used as the main instrument in realizing coordinated economic policy. It had been agreed to sign the final document on plan coordination for the period 1991-95 in the second quarter of 1990 at the latest. Stoph and Atanasov noted that bilateral trade is developing in a stable and steady way. "The two sides are resolved," the statement says, "to make their contribution, in line with the new requirments, to the deepening of socialist economic integration, the international division of labor, in particular the specialization and cooperation of production between the member countries of CEMA and to the restructuring of CEMA'S activity."

With regard to the international situation, Stoph and Atanasov noted "that as a result of the constructive, coordinated foreign policy of the Soviet Union and the other socialist countries, as well as the work of realistic forces in the West, positive trends are emerging in the development of international relations. There is growing awareness that it is necessary, through a speedy, major reduction in the level of the military balance to a level of adequate defense capability, to go over to a new security concept and strengthen trust and stability." A far-reaching change had not yet come about. The international situation continued to remain complicated and contradictory.

"The two sides spoke in favor of the continuation of the process of disarmament through a 50 percent reduction in strategic offensive weapons, under strict adherence to the ABM Treaty of 1972 for an established period, of a comprehensive halt to nuclear weapons tests, of the speediest possible conclusion of a convention on eliminating chemical weapons, reducing armed forces and conventional armaments in Europe, including naval forces in the disarmament negotiations. They support the latest initiative of the USSR for a nuclear test moratorium," the joint statement says.

They "welcomed the positive start to the Vienna negotiations, praised the proposals tabled by the Warsaw Pact member states on a radical reduction in armed forces and conventional armaments in Europe, and expressed their hope that the negotiations can be speeded up by means of the negotiating concepts of the two military alliances moving close together. They expressed their conviction that the introduced unilateral reductions in the armed forces, armaments, and military budgets of the Warsaw Pact member states are of considerable importance to improving the climate of trust between the European countries."

The latest proposals of U.S. President George Bush on reducing conventional armed forces in Europe are assessed as a step in the right direction. The USSR's decision to unilaterally withdraw 500 warheads of tactical nuclear weapons from the territories of the allied states to its territory in 1989, and its readiness to withdraw all nuclear munitions from the territories of its allies in the 1989 to 1991 period on the condition that the United States for its part undertakes corresponding steps, is welcomed. The GDR and Bulgaria support early negotiations on tactical nuclear weapons, are opposed to plans for their modernization, and support the aim of completely freeing the European Continent of nuclear weapons.

Stoph and Atanasov underlined the importance of the initiatives for a nuclear weapons-free corridor and a chemical weapons-free zone, as well as of a zone of trust and security in Central Europe and the transformation of the Balkans into a zone free of nuclear and chemical weapons for the strengthening of trust among the states, for the reduction of military confrontation and reducing the danger of a military conflict. They are in favor of the further development of the CSCE process, of the development of broad, mutually-beneficial cooperation and the implementation of a new climate in international relations for the building of a "common European home."

The inviolability of the existing territorial and political realities, and noninterference in the internal affairs of the states are a basic condition for the preservation of peace and the development of bilateral and multilateral cooperation on the European continent. "The need for a broad and constructive cooperation among the democratic forces, in particular in Europe, was underlined to counteract growing manifestations of neo-Fascism," the joint statement informs.

In conclusion, it is stressed that the talks proceeded in the spirit of cordiality and openness, and confirmed the concurrence of views in all issues addressed.

Stoph invited Atanasov to visit the GDR. The invitation was accepted with thanks.

Demonstrators for Democracy Arrested in Leipzig
AU0407181089 Mainz ZDF Television Network in German
1700 GMT 4 Jul 89

[Text] Yesterday, GDR policemen dissolved a demonstration for more democracy in Leipzig which was organized after prayers for peace in the Nikolai Church. At least 10 persons were temporarily detained.

Dresden Party Executive Agrees to Toe the Line
LD0507102289 Hamburg DPA in German
0958 GMT 5 Jul 89

[Text] East Berlin (DPA)—The Dresden Bezirk [Area] Executive of the SED, which was reprimanded by the SED Politburo in front of the party's Central Committee, has declared its "firm intention" to fulfill its tasks in line with Central Committee resolutions. In a report in the SED newspaper NEUES DEUTSCHLAND today on the session of the Bezirk Executive, only Second Secretary Lothar Stammnitz is mentioned by name. The head

of the Dresden Bezirk Executive, Hans Modrow, has started a trip to the PRC as head of a party delegation, which was reported in the GDR newspapers Monday.

Modrow is seen as comparatively reformist and has been mentioned as a possible successor to Honecker, among others by Soviet sources. The SED leadership criticized economic problems in Dresden and warned that Modrow and his comrades had done too little to combat "bourgeois and hostile views." A special commission of the Central Committee was sent to Dresden in recent months to remedy matters.

Krenz, Boehme Address Halle Bezirk Leadership

AU3006092689 East Berlin NEUES DEUTSCHLAND in German 27 Jun 89 p 2

[ND report: "Joint responsibility Promotes the Citizens' Cooperation; Egon Krenz and Hans-Joachim Boehme at Event of Halle Bezirk SED Leadership on the Topic of 40 Years of the GDR"]

[Excerpts] Halle (ND)—Egon Krenz, member of the Politburo and secretary of the Central Committee of the Socialist Unity Party of Germany [SED], assessed the eighth session of the SED Central Committee on the topic "40 Years of the GDR—4 Decades of the People's Rule."

In the presence of Hans-Joachim Boehme, member of the SED Central Committee Politburo and first secretary of the Halle Bezirk SED leadership, he stressed the great achievements of the bezirk party organization with its more than 253,000 members and candidate members in fulfilling the decisions of the 11th Party Congress. [passage omitted]

The results in Halle Bezirk and everywhere in the Republic, which can be concretely demonstrated, are an expression of the SED's successful course, by which socialism has proven its historical superiority on German soil. [passage omitted]

The GDR is a politically stable state in which socialism is unshakable, policies are predictable, and its international esteem is high, Egon Krenz stressed. "We are implementing a concept of socialism which is based on historical principles, which creatively combines the findings of Marxism-Leninism with our own practical experiences, for which the power of the workers class and all the people is the untouchable precondition for all successes, and which constantly enriches the relationship of trust between the party and the people."

In daily political work, the experience that joint responsibility also promotes cooperation and that cooperation increases joint responsibility is emphasized again and again. The citizens' initiatives arise from their attitude, their deliberate loyalty to the GDR, Egon Krenz said. Precisely for this reason, the eighth Central Committee session aims at holding political talks with the citizens everywhere on questions concerning them. "Nowadays, more than ever the people expect convincing answers, exemplary attitudes, and a personal example from us Communists. In accordance with this, we are leading the people's movement to the universal strengthening of our socialist homeland in preparation for the 40th anniversary of the founding of the GDR."

In his concluding speech, Hans-Joachim Boehme, first secretary of the Halle Bezirk SED leadership, stressed that it is now imperative to realistically organize political-ideological work on the basis of the eighth session of the SED Central Committee, to mobilize all the material and intellectual potentials of the working people for the universal fulfillment of the national economic plan, and to honorably meet the undertaken commitments.

SED Central Committee 8th Session Assessed

AU3006081389 East Berlin NEUES DEUTSCHLAND in German 28 Jun 89 p 2

[Unattributed editorial: "Optimism on the Road to the 12th SED Congress"]

[Text] The eighth session of the Central Committee took stock of the road to the 12th SED Congress. It analyzed what has been achieved so far and what will have to be done in the coming months in view of the 40th anniversary of the founding of our GDR.

It was stated that great work has been achieved since the convening of the 12th Party Congress. Erich Honecker's speech at the Central Committee seventh session and its basic guidelines for all questions of domestic and foreign policy, for the further shaping of the developed socialist society in the GDR, and the guaranteeing of peace was, and remains, trend-setting.

The Politburo report given by Joachim Herrmann to the eighth session and the discussion in which 12 comrades took the floor, demonstrated that a solid basis had been created for the further preparation of the 12th Party Congress. The values of socialism are deeply rooted in the people. This was shown by the large-scale demonstrations on 1 May, the vote for our policy in the municipal elections, the young generation's profession of socialism during the Free German Youth Whitsun meeting, and the trend-setting deliberations at the Ninth Pedagogical Congress. This is also demonstrated by the many initiatives to strengthen the GDR, the working people's achievements for the fulfillment of the plan, and by the investment and rationalization projects resolved on the 40th anniversary of the founding of the GDR. It is now imperative to continue this large-scale people's movement with all our power.

All the successes, and also those in the future, are due to the fact that since the Eighth Party Congress in 1971, our party has struggled offensively with uniform discipline on the basis of a clear social strategy in the fields of

politics, economy, social policies, and intellectual-cultural life, to the fact that it cedes no place for bourgeois ideology, and that, in close alliance with the people's masses, it always works for the people's benefit. In this way, the party is fulfilling its leading role in the alliance with all mass organizations united in the Democratic Bloc and the National Front, and is successfully implementing our policy which is characterized by the unity of words and deeds.

In accordance with this, the plenum also answered the question about the requirements in the coming months: an even closer alliance with the masses, explaining the basic questions of the party's policy in open dialogues, dealing with the people's affairs and needs, openly answering all questions, both convenient and inconvenient ones, and providing clear answers, as given to recent questions at the eighth session. Yes, the course of the unity of economic and social policy is also to be continued after the 12th Party Congress. Yes, the network of creches will be further developed in our country, so that women can pursue their work with an easy conscience after 1 year of maternity leave. And there will be no changes in the retirement age of men and women. All who are fresh and healthy can continue to work when they reach the age limit. They are paid in accordance with their performance and get the pension to which they are entitled.

We continue our socialist construction as a historical process of profound political, economic, social, and intellectual-cultural changes. As stressed at the eighth session, we cling to time-tested things and take everything that is new into account in accordance with our specific conditions, if this is necessary.

Since the Eighth Party Congress initiated a change according to the principle of "doing everything for the people's benefit and happiness and for the interests of the workers class and all working people" in 1971, we have been successfully advancing on the course of intensifying the national economy. We created efficient combines that make the major contribution to the national income today. We are testing self-financing in 16 combines and will soon implement it in another 40 of them. We are rapidly implementing our housing construction program, which is unique in scale and which constitutes the core of social politics. As the Pedagogical Congress showed, we are further developing our educational system in line with the requirements of the future. We are developing socialist democracy and also our socialist legal system. Continuity and innovation are our principle.

In order to make further progress and to be able to assess things independently and act accordingly, all party members have to have a precise knowledge of the international situation and its complications and contradictions. We in the GDR continue to live, work, and struggle as before, under open conditions and exposed to all storms of time. The sense of responsibility as citizens and a firm class attitude are required.

The eighth session provided clear arguments for this. Let us consider disarmament, detente, and the securing of peace: Disarmament has been initiated. Everybody knows the proposals of the USSR, the GDR, and the other socialist states which refer to all military forces, conventional and nuclear weapons. Everybody knows what unprecedented advance concessions we have made—for disarmament without halt. Yet, it was stressed, euphoria would be out of place: Imperialist forces vehemently oppose any further disarmament. At the latest NATO conference in Brussels the hackneyed legend of "threat," the "policy of strength," "nuclear deterrence" which provides for the first use of nuclear weapons, and the "modernization" of tactical nuclear weapons were established.

The eighth session evaluated the proposals submitted by U.S. President Bush as a first answer to the Warsaw Pact's disarmament proposals. However, the President makes the start of negotiations on short-range nuclear weapons conditional on an agreement in Vienna. Nobody knows when it will be achieved. That is to say, disarmament at the Greek calends? Disarmament without a halt—or modernization and countermodernization? Thus, it is imperative to draw a two-fold conclusion: The GDR will intensify its peace mission. At the same time, however, we have to remain vigilant.

Our party rejects the efforts of certain politicians in capitalist countries to exert political, ideological, and economic pressure on socialist countries and to cause them to take over capitalist social ideas and structures, bourgeois pluralism, and bourgeois ideology. Their attempt to eliminate socialism by making use of the diversity of socialist development in the world under the banner of "innovation" is doomed to failure in our country. It can be clearly seen that this, as well as the virulent propaganda against the "wall," aims at eliminating the European reality which was created as a result of World War II and postwar development. This is also demonstrated by the continued revanchist demands—either in the old style of the cold war or reformulated—for the reestablishment of the German Reich within the borders of 1937. However, mankind does not want the European recovery process to be undermined and the security of peace to be endangered.

As regards the citizens of the GDR, they firmly stand by their socialist state. They condemn the maximization of profits in the capitalist countries, the super profits of the monopolies, social cuts for the people, mass unemployment, the housing shortage, homelessness, new poverty, and advancing neo-Nazism. They know the basic difference between imperialism and socialism, which cannot be obliterated by anything.

Our citizens' clear commitment to the values of socialism, to the socialist homeland—this was stressed by all speakers in the discussion—is the result of our own experience of our good policy which can be felt by every family, but also of purposeful ideological work, the offensive presentation of our achievements and successes, and of the values and ideals of socialism. This confirms our conviction that the future belongs to socialism.

The worker-peasant power, national property, democracy, guaranteed human rights, full employment, a high educational standard, rich cultural life, free health care—we created all this by our hard work. Our Republic has been the work of several generations. We owe the propagation and protection of our work to our children and their children, the fraternal countries, the Communist and workers parties, the national and social liberation movements. We were, are, and will remain firmly at the side of the Soviet Union and the other socialist countries. We will not permit anybody to drive a wedge between us.

Thus, the great people's movement for the preparation of the 40th anniversary of the founding of the GDR and the 12th SED Congress is aimed at further strengthening the GDR. We want to make further progress above all in our main battlefield, the unity of economic and social policy. Initiatives in socialist competition in industry and agriculture, higher individual contributions to the national income, fulfillment and purposeful overfulfillment of the 1989 national economic plan month by month—especially in the months of July and August—the working people's creative participation in the discussion of a 1990 plan which is realistic and, at the same time, a militant task—this means evaluating the eighth Central Committee session correctly. This implies that any type of production activity serves the supply to the population, the economy itself, and the necessary exports, and that those collectives which have undertaken commitments to produce additional consumer goods make it a point of honor to reliably meet these commitments. The combines and enterprises that were reported as lagging behind the performances of others at the eighth session have to catch up with them. The experiences of the best help them. New top-level achievements in science and technology and socialist rationalization in every enterprise are required. In agriculture, speed and quality are also involved, in order to bring in all crops with as few losses as possible.

In view of the foreign trade situation, in the frequently quoted race against time, the struggle is anything but easy—precisely as regards high and key technologies. However, dynamic economic growth is still required in the GDR, even if all opportunities and reserves are used. We need it for the people's benefit. We need it to strengthen our Republic as a stable stronghold of socialism and peace in the heart of Europe.

Ideological work remains the core of party work. Higher demands on leadership activities, on political mass work, and on life within the party are arising. Where there is a comrade, there is the party! In conclusion, the report to the eighth session once again directed the people's attention to the 40 years of the GDR: Socialism is forever rooted on German soil, in the homeland of Karl Marx and Friedrich Engels. Thus, we are approaching the 12th SED Congress with optimism and confidence.

Nyers on 'Misunderstanding' Over Entrepreneurs

LD2906172189 Budapest Domestic Service in Hungarian 1000 GMT 29 Jun 89

[Text] The Hungarian Socialist Workers Party [MSZMP] basic organizations made up of small artisans are protesting the statement made by Rezso Nyers, chairman of the party, according to which the MSZMP cannot be the party of enterpreneurs. A summary of their debate yesterday is published in today's issue of NEPSZABADSAG. At the debate it was said that there are such basic organizations in which, after the statement of the party chairman, half of the members resigned. Andras Domany has interviewed Rezso Nyers in the parliament building.

[Begin recording] [Nyers] Regrettably, I formulated words imprecisely and thus I may have been misunderstood. The MSZMP is the party of the people; we declared this in the past and we maintain this position. We want to be the party of the people and the small entrepreneurs, small artisans, small traders must be understood to belong unconditionally within the term "people" and in this sense the MSZMP also undertakes to represent these interests. In any case, in its policy today the MSZMP—I think the next congress will also confirm this—is enterprise-friendly, taking as a point of departure the fact that it is in the interest of the widest possible strata of the people that the enterprises, the small and medium-sized enterprises, should proliferate in Hungary. They should contribute to the prosperity of the nation to a greater extent than at present.

[Domany] Those involved are also sensitive, obviously, as a result of the fact that not very long ago he who left his workplace to participate in an enterprise when he was a party member was met perhaps with the dismay of the district party committee; it was considered almost unbecoming of a party member.

[Nyers] Yes, it is truly the case. We must break with this practice unconditionally. If such an expression got mixed into it too, this is imprecise and open to misunderstanding, is it not? I referred to the fact that the MSZMP must after all prefer the interests, primarily, of those living on wages and salaries. However, the MSZMP is not a class party, so it does not represent only the interests of these, but this is the greatest mass and this is what I wanted to express, that we consider this primary in ranking interests and we add other interests too, the interests of the small entrepreneurs are such. I must ask to be excused if I formulated words imprecisely and this has given rise to such an interpretation. [end recording]

Grosz Interviewed on Leadership Configuration

LD2906111789 Budapest Domestic Service in Hungarian 0430 GMT 29 Jun 89

[From the press review]

[Text] An interview entitled "The Loneliness of Karoly Grosz" occupies an entire page in MAGYAR HIRLAP. The general secretary replies to Zoltan Lovass' questions, as a private citizen but, naturally, the conversation is full of political references. Here are some:

The present Hungarian Socialist Workers Party [MSZMP] leadership configuration represents—in the view of the general secretary—a healthy division of roles. It should have already been done in May last year. The general secretary had already proposed before that the chairman, the general secretary, and the nominee for the post of Republic president, should be elected by the entire party membership. Regarding the mood surrounding his various statements, the general secretary considers the bulk of it to be demagoguery. One of the great problems I have is that I am too open, too frank—he says later. Returning to the marriage of the four—Karoly Grosz's description of the new Presidium—he says that all of them bring only themselves individually into it. If each member of the (?foursome) does not retain his own separate independent features, then it will be just as bad as if we are unable to coordinate the differences of views on basic issues, the general secretary says, analyzing in detail that on a human level he has a good relationship with Rezso Nyers, Imre Pozsgay, and Miklos Nemeth. What's more, he says about Pozsgay that there is an old friendship between them, while in respect to Mikos Nemeth, he comments that it was he, Grosz, who fully supported his more active involvement in political public life from the start.

Grosz Speaks at Szolnok Rally on Party Problems

LD2806230689 Budapest Domestic Service in Hungarian 1630 GMT 28 Jun 89

[Text] The Hungarian Socialist Workers Party [MSZMP] general secretary has participated in a political rally in Szolnok. Imre Benko reports:

[Benko] The MSZMP has within a short space of time lost a great amount of its force and capacity for action. The general secretary reviewed the reasons for the internal political situation which has developed, the stagnation of the economy, the increase of social tensions, the deterioration in the standard of living, the activization of the opposition, and the increased aggression of the enemy which searches for interconnections between cause and effect.

The Szolnok political rally, where one of the speakers was Karoly Grosz, MSZMP general secretary, finished with an open forum. The majority of the questions were related to the situation of the MSZMP and the economy, and the question of how we continue. Those interested packed the Szolnok sports hall, where representatives of the newly formed or reformed organizations were also invited.

Grosz Receives American Businessman 30 Jun

LD0107140489 Budapest MTI in English 1524 GMT 30 Jul 89

[Text] Budapest, June 30 (MTI)—Karoly Grosz, general secretary of the Hungarian Socialist Workers' Party, met

George F. Hemingway, president of the Hemingway Unimpex Corporation, in Budapest on Friday.

Australian Prime Minister, Delegation Arrive

LD3006101689 Budapest MTI in English 0830 GMT 30 Jun 89

[Text] Budapest, June 30 (MTI)—Austrialian Prime Minister, Robert Hawke, accompanied by his wife and a delegation of advisers and businessmen, arrived in Budapest on Friday morning, at the invitation of Miklos Nemeth, prime minister.

He is to commence his programme with a wreath laying at the memorial of Hungarian heroes. Subsequently bilateral discussions will take place with Mr Nemeth in the parliament building, to be followed by economic round-table discussions between Hungarian and Austrialian economic experts.

In the afternoon, Mr Hawke is scheduled to hold discussions with Imre Pozsgay, minister of state. He will also be met by Bruno F. Straub, president of the Presidential Council and Rezso Nyers, president of the HSWP [Hungarian Socialist Workers Party] and Karoly Grosz, general secretary of the HSWP.

In the evening Mr Nemeth and his wife will host a gala dinner in honour of Mr and Mrs Hawke.

Hazel Hawke will pay a visit to the renowned Peto Institute in the morning, in the company of Mrs Nemeth.

Nemeth-Hawke Talks Commence

LD0107102889 Budapest MTI in English 1601 GMT 30 Jun 89

[Text] Budapest, June 30 (MTI)—Hungaro-Australian prime ministeral talks started in Budapest on Friday. As reported earlier, Australian Prime Minister Robert Hawke arrived in the Hungarian capital in the morning.

In the course of talks, which lasted for almost two hours, Hungarian Prime Minister Miklos Nemeth termed bilateral political contacts as conflict-free, and emphasized the two countries' useful cooperation in international forums in the fields of human rights, environmental protection and disarmament. The prime minister referred to the connecting role of ethnic Hungarians living on the remote continent, and urged the ratification of the consular agreement signed in 1988.

He described economic ties as good, and emphasized that a series of Hungarian laws passed in the previous period and the establishment of a market economy opened up new vistas for cooperation. Mr Nemeth emphasized that the government encourages Hungarian investment in Australia, and expects the involvement of Australian firms in domestic telecommunications, agricultural, food industry and tourism projects.

Mr Nemeth proposed that the two countries should conclude an agreement on the elimination of double taxation and on investment protection. It would lend further impetus to economic ties if Australia granted tax concessions to Hungary, he said. He expressed the hope that Australia's accession to Cocom [Coordinating Committee in Export Controls] would not influence bilateral cooperation. The chairman of the Council of Ministers said that, in a move to develop relations, Hungarian economic and technical days would be held in Australia in the first half of next year.

Robert Hawke expressed the hope that, after coordination with the federal states, the consular agreement would soon be ratified. He spoke in appreciative terms of economic contacts, referring to the successful operation of the Cairns group which set the aim of developing world trade.

Mr Hawke held out the prospect that his government would study the possibility of concluding agreements on the elimination of double taxation and on investment protection. As to the latter, he emphasized that there is already a sufficient amount of confidence between the two countries.

Although the general system of preferential tariffs will only be revised in 1991-2, the Australian prime minister made a personal promise to advocate a decision on Hungary in advance.

Australia joined Cocom with the aim of exercising a positive effect on its cooperation, Mr Hawke added.

Mr Nemeth spoke about Hungary's internal situation and the political coordination talks. His negotiating partners had plenty of questions on the future of political and economic reforms in Hungary.

As far as international affairs were concerned, the two prime ministers discussed the fourth round of the revision of the non-proliferation treaty that is to start in 1990, and the Canberra conference on preventing the spread of chemical weapons to be held in September.

Mr Hawke drew attention to the proposal of his government for preserving the Antarctic as a nature reserve free from all industrial activity.

PM Robert Hawke and the advisors and businessmen in his entourage attended a roundtable in the afternoon. The Hungarian negotiating group was headed by Laszlo Bekesi, minister of finance. Present at the talks were ambassadors Zoltan Juhar and Douglas Townsend.

Following this, Minister of State Imre Pozsgay visited the Australian prime minister at his residence.

Bruno Straub, president of the Presidential Council, met Robert Hawke in the parliament building. The meeting was attended by Jozsef Benyi and the two ambassadors.

Rezso Nyers, president of the Hungarian Socialist Workers' Party, and Karoly Grosz, HSWP [Hungarian Socialist Workers Party] general secretary, met the Australian prime minister in Central Committee headquarters in the afternoon.

Messrs Nyers and Grosz emphasized that the HSWP sought to develop comprehensive relations with the Australian Labour Party.

The Hungarian leaders spoke in detail on the Hungarian situation. They stressed that the country aims at democratizing its political institutions and carrying out a sweeping transformation of its economy. The HSWP welcomes and supports steps serving consensus and national reconciliation.

Mr Hawke said that Australia observes with interest and goodwill the processes taking place in Hungarian society, and welcomes Hungary's foreign policy initiatives to create wide-ranging international cooperation.

The meeting was attended by Jozsef Benyi, Zoltan Jihar and Douglas Townsend.

Miklos Nemeth and his wife gave a gala dinner in honour of Robert Hawke and his wife in the parliament building on Friday evening.

The gala dinner was attended by senior representatives of Hungary's political, economic and social life and, for the first time, some representatives of the organizations belonging to the opposition roundtable.

The two prime ministers delivered toasts.

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Hazel Hawke, accompanied by Mrs Nemeth, visited the world-famous Peto Institute, a pioneer in the conductive education of brain-damaged children, in the morning, before taking a short walk through the centre of Budapest.

Nemeth, Hawke Dinner Toasts

LD0107104489 Budapest MTI in English 2053 GMT 30 Jun 89

[Report on toasts made by Hungarian Premier Miklos Nemeth and Australian Prime Minister Robert Hawke at a 30 June Budapest Parliament Building dinner given by Premier Nemeth]

[Text] Budapest, June 30 (MTI)—In his toast, Hungarian Prime Minister Miklos Nemeth recalled that Robert Hawke was the highest-ranking Australian guest to have visited Hungary so far.

The chairman of the Council of Ministers emphasized that Hungarian-Australian relations were settled and interest in each other was growing in all fields. He appreciated the activity of his guest in the promotion of bilateral relations, and welcomed the fact that the recent period had seen considerable and encouraging progress in economic and commercial relations between the two countries. There is mutual interest in the expansion of commercial ties, deepening of economic cooperation, and the introduction of advanced market forms. Hungary would welcome the direct involvement of Australian working capital in the country's economic life.

Mr Nemeth then spoke about the Hungarians living on the remote continent. He said that Hungary highly appreciated the Australian policy towards national minorities: This policy makes it easier for the minorities to maintain and foster their roots and bonds, fully guaranteees the preservation of nationality features and seeks to integrate, rather than assimilate, immigrants.

The Hungarian prime minister spoke about the reform processes in the country. Addressing foreign policy issues, he pointed out that the accomplishment of the CSCE process would be of the utmost importance to Europe. Hungary is doing everything in its power to promote East-West dialogue and diverse cooperation between countries, so serving peace, security and development.

In his toast, Australian Prime Minister Robert Hawke emphasized that the Hungarian events were being followed with keen attention and profound sympathy all over the world. This is especially the case in Australia, for three reasons.

'Firstly, in Australia we are proud of having an apparently vigorous Hungarian community which greatly contributes to the intellectual, cultural and economic prosperity of the country. Their contribution far outstrips their number, which is about 60,000. Not a single community of similar size in Australia has done more for the country.

'Secondly, our profound interest in Hungary dates back to 1956. The Australian people respect courage and will never forget the heroism of 1956 which was so dramatically manifest in the courage of the Hungarian team attending the Melbourne Olympic Games.

'Thirdly, and this is the most important reason, Australians put freedom above everything else and support the pursuit of freedom everywhere in the world'.

Then the Australian prime minister spoke in appreciative terms of the changes in Hungary. Addressing international affairs, he said: 'Here, we must point to the tragic contrast shown by the recent events in the People's Republic of China'.

At the end of his toast, Mr Hawke said: 'I am confident that our talks will offer a firm basis for the establishment of even more important, reciprocally advantageous relations. The presence of senior Australian businessmen

here expresses our commitment to giving substance to our economic and commercial relations, in parallel with progress on the road to economic reform you have chosen".

Hawke, Delegation Depart

LD0207154189 Budapest MTI in English 1434 GMT 2 Jul 89

[Text] Budapest, July 2 (MTI)—Australian Prime Minister Robert Hawke left Budapest on Sunday. Mr Hawke paid an official visit to Hungary at the invitation of Miklos Nemeth, chairman of the Council of Ministers. Mr Hawke was accompanied on his visit by his wife, and advisors and businessmen.

The prime ministers held a closing discussion on Sunday morning. They reviewed the areas in which the two governments can lend assistance to cooperation between businessmen.

Mr Hawke invited Mr Nemeth to visit Australia. Mr Nemeth accepted the invitation and added it will depend on the election results whether he would visit Australia as prime minister.

Kadar Hospitalized for Respiratory Failure

LD0307165589 Budapest Domestic Service in Hungarian 1630 GMT 3 Jul 89

[Text] We have just received the news that Janos Kadar was taken to the hospital. He is in serious condition. The elderly official is being treated for pneumonia and acute respiratory and circulatory failure.

In 'Critical' Condition

LD0407104189 Budapest Domestic Service in Hungarian 1000 GMT 4 Jul 89

[Text] We have just received news that Janos Kadar's condition is critical. Emil Kimmel, deputy spokesman of the Hungarian Socialist Workers Party [MSZMP], said that the group of consultants meeting today has stated that the patient's breathing and blood circulation has further deteriorated in the past 24 hours. The patient has been visited by Rezso Nyers, MSZMP chairman, and Karoly Grosz, MSZMP general secretary.

Lawyer on Judicial Violations in Nagy Trial

LD0407215189 Budapest Television Service in Hungarian 1730 GMT 4 Jul 89

[No video available]

[Text] [Presenter] On the basis of a remonstrance by the supreme prosecutor, a Supreme Court Presidium Council on Thursday will discuss the affair of Imre Nagy and his companions. The verdict, which will surely be acquittal, is expected to be reached on the same day.

[Begin recording] [Unidentified correspondent] Seven [as heard] of the nine people who were once sentenced—Imre Nagy, Ferenc Donath, Jozsef Szilagyi, Pal Maleter, Ferenc Janosi, and Miklos Vasarhelyi—are being represented, defended by lawyer (Alajos Donbach). I imagine you have already looked through the documents. What illegalities have you found?

[(Donbach)] Well, the remonstrance, the remonstrance submitted by the supreme prosecutor goes into detail, in some 20 pages, about the illegalities, most of which individually would have been an adequate reason to nullify the verdict and to acquit the accused. The telltale signs of a violation of judicial independence are to be found.

[Correspondent] Dr Ferenc Vida was the judge. What instructions, influential factors have you noticed?

[(Donbach)] The investigating authority made a proposal, in a written note, regarding who was to discuss the matter, who were to be the people's judges, who was to be person who took minutes, who was to be the prosecutor, and so forth.

[Correspondent] The news spread at one time that Dr Ferenc Vida, the judge who headed the council, received instructions from the interior minister at the time, Bela Biszku.

[(Donbach)] Naturally, there is no trace of this in the files.

[Correspondent] Did the Interior Ministry have nothing to do with the files?

[(Donbach)] Not at all: The investigating department of the Interior Ministry conducted the investigation. Indeed it can be established from the investigation documents—the remonstrance by the deputy supreme prosecutor [as heard] also hints very firmly at this—that in the course of the trial, that is, during the days of the court hearing, the investigators of the trial made daily written reports to the interior minister. Well, that too is unprecedented.

[Correspondent] What was your predecessor in this position, who defended Imre Nagy and his men at the hearing, able to do?

[(Donbach)] Well, very little, naturally, since the defenders were not allowed to leave the building. The notes they had taken were confiscated from them—there they are clipped down in a file.

[Correspondent] Were they detained at the time of the hearing?

[(Donbach)] They lived in during the trial, and since then all of them have died, but I personally was acquainted with some of them, and in recent years they dared to say that they had to tell even their relatives that they had traveled to the countryside for a hearing lasting several days.

[Correspondent] Who prepared the indictment?

[(Donbach)] According to law, the prosecutors' office is supposed to prepare the indictment. In this affair we were surprised by the fact that in one of the files of investigative material we found an indictment which the investigating authority had prepared a half year before the final indictment was prepared, on its own letterhead. In essence, the remonstrance by the Supreme Prosecutors' Office says—and this is the essence of the remonstrance—that the act which the accused had committed cannot be qualified as a crime, even according to a correct interpretation of the laws at the time. [end recording]

Daily on MSZMP Central Committee Session

AU0307181989 Budapest NEPSZABADSAG in Hungarian 27 Jun 89 p 3

[Unattributed editorial: "The Party for the Future"]

[Text] Evaluating a meeting 2 days after it has taken place is not without risk. However, we will take this risk: The Central Committee session held over the weekend [24-25 June] will probably take a major place in the history of the Hungarian Socialist Workers Party [MSZMP] that was established in the turbulent autumn of 1956.

No single committee meeting—no matter how substantial—is capable of creating a breakthrough by itself. However, under the circumstances this current working forum did the utmost possible in order to stabilize the situation of the party. And this is not only a party affair. No affair of the MSZMP is "only" a party affair. Despite the emerging political pluralism, the MSZMP is the best-organized political force in Hungary. It is impossible to lead the country onto the path of economic and political development without a stable MSZMP that makes use of its opportunities and responsibilities.

More than any similar previous meeting, the current Central Committee meeting makes it absolutely clear what we mean and what we do not mean by party unity, and what kind of unity we are striving for. The old type of monolithic unity belongs to the past for good, together with the concept of democratic centralism in which only centralism had any real importance. A return to the old type of unity is neither possible nor desirable. It is natural for various trends to emerge within the party, and in themselves these trends will not weaken the party; on the contrary: These trends will make party life more varied, genuine, and more democratic. The recent tensions have caused a deterioration in the general mood of the party members and have had an unfavorable effect on the moral prestige of our party. However, these tensions were not simply connected with these trends, but with the lack of a synthesis between them. This Central Committee meeting has now organically prepared this synthesis by creating a Presidium and by electing a party chairman who will be the first among equals and whose personality and authority make him suitable for the integration and coordination activity. Given the fact that strong leading figures are connected with these trends, the feeling of the responsibility of these people has created the common platform which is acceptable for the party center that makes up the "silent majority" of the party, and hopefully also for the great part of party members who adhere to other trends. (Therefore, the question "Who won?" asked by some world press observers is misleading. Nobody has won. What has won? The spirit of compromise and cooperation has won. Nobody has the right to carelessly threaten the difficult compromise embodied by the four politicians who sat side by side at the news conference held on 26 June.)

It is also important—as Rezso Nyers formulated it in his interview for NEPSZABADSAG—that those who remained on the fringes should themselves answer the dilemma of whether to accept the party line or not. The line drawn by the party for its members is not narrow, but its borders are now clearly delineated. This party is not the "command party" of interdictions; in other words, not the party of those who say no. However, the party did say a firm no to two things: to the concept which rejects the multiparty system, the sharing of power, the market economy, and the opening to the world economy on the basis of outworn ideological arguments; and to the view which, under the pretext of reform rhetoric, unjustly and unscientifically blurs the past 40 years and suggests that the current system cannot be improved by reforms and thus there is a need for a new revolution.

Apart from these extremes, the party is a highly tolerant movement. It not only refrains from rejecting the differing approaches, a "different way of thinking," but actually encourages this: In the long run, it is impossible to think uniformly on command. However, it is necessary to act together; this is the second lesson of the Central Committee session. In the current crisis situation, we need not simply an agreement in principle, but political action that expresses the majority opinion, political action deriving from platforms that express different views and result from a far-reaching debate. We need action and concrete steps in order to create a democratic socialism, a constitutional state, a parliamentary democracy based on a multiparty system, and a socialist market economy, and all these things without upheavals.

Words are important, but people expect more than words today. Before a party congress and parliamentary elections we are facing urgent tasks that cannot be delayed. A party that believes in both communist and

social democratic values and which is synthesizing these values in a novel way has every opportunity to feel confident in receiving the voters at the voting booths, the nation's judgment, if it works expediently and rationally in the remaining time; as the party chairman said in his interview published in our daily on 26 June: "The majority have not decided yet. If this party is able to genuinely express the policy currently being formed, and if it is able to gather around this policy in a united way, in my view its chances will increase."

In the wake of historical lessons and the bitter lessons of the recent past the party has established itself as a political factor that participates in resolving national decisive issues and issues of democratic reorganization; of course, without striving to achieve exclusiveness. The party established itself as a force that is not led by selfish party policy goals and interests, a party which—as a successor of socialist and left-wing ideas—is a party of the working people. This party preserves its values, while being capable of getting rid of past burdens and being open to new ideas. A party which, if it progresses on the road signaled by the latest Central Committee meeting, will also have a future, not only a past and a present.

Glatz Creates Deputy Minister for Minorities

LD2906151889 Budapest Domestic Service in Hungarian 1000 GMT 29 Jun 89

[Text] Culture and Education Minister Ferenc Glatz has announced in the National Assembly Cultural Committee that in order to represent the interests of national minorities a deputy minister will be named, for the first time since Trianon. Gyorgyi B. Kiraly reports:

[Kiraly] Ferenc Glatz has managed, within hardly 2 months, to stir up the still waters of culture and public education. As he said at the unscheduled morning session of the Cultural Committee, he has also managed through this to be qualified as antiparty. Why? Because he demanded that the Hungarian Socialist Workers Party [MSZMP] should give up its cultural institutions and hand them over to the Culture and Education Ministry. He was not led by political reasons in this, he said, but: If I want to implement the foreign language education program, the transformation from the Russian to the Western languages, I need personnel and buildings for it. In today's society reserves lie only in MSZMP and trade union hands and therefore the bargaining which the party is carrying out with the Ministries of Health, Social Affairs, and Culture is unprincipled—and so is the fact that the party negotiates about its own assets as a capitalist.

At the start of assuming office, Ferenc Glatz had already declared his concept of a culture ministry. Today, after the abolition of the State Office for Church Affairs, he was able to state that this ministry no longer reflects the Jozsef Revai-type Soviet model but the Kuno (Kleberberg)-type Religious Public Education Ministry. By the way, Kuno (Kleberberg's) picture is already hanging on the wall of my office, the minister said.

Since Ferenc Glatz is not willing to tolerate the administrative and working style developed in the spirit of centralism—the vast administration and representative tasks—he restored the pre-1945 administrative State Secretarioat which is led by Ferenc Pusztai. He also named two new deputy ministers; Karoly (Maertz) and Elemer Kelemen. By the way, the latter is Deputy Minister for Public Education (Kozoktatasi) and since 1949 he is the second such leader who does not come from the outside but up through the ministry's ranks.

Since Trianon, this is the first time that national minority policy has been elevated to the level of government. Ferenc Glatz has established the post of deputy minister for national minority. He will name its holder at a future date.

Party Daily Editorial on Recent RCP Plenum

AU0407160989 Budapest NEPSZABADSAG in Hungarian 30 Jun 89 p 3

[Editorial by Peter Vajda: "Worries and Realities"]

[Text] The general secretary of the Romanian Communist Party [RCP] gave a noteworthy speech at the recent session of the RCP Central Committee. Among other things, he declared the following: "It is the fundamental task of the Communist Party and of every country's party to solve domestic problems and contribute to socialist development. Obviously, we worry about the problems that emerge in individual countries because we would like all of the socialist countries and all of our neighbors to ensure their firm development on the road of socialism. Therefore, we think that it is very important for the socialist countries that are members of the Warsaw Pact and that are interested in jointly analyzing the current problems of socialist construction to jointly decide on ways to cooperate even better in order to overcome the difficulties and to ensure the economic and social development of all peoples by way of socialism."

This quotation is worth noting for two of its aspects. All of the neighbors of Romania are socialist countries, but their ideas about the "firm development on the road of socialism" are not necessarily identical to the Romanian belief and practice. For example, one of the favorite subjects of the world press—a BBC commentator also said this the other day—is that as long as the Soviet Union persists on the road of restructuring despite all of its difficulties, neighboring Romania will not even have an equivalent for this word. However, let us not talk about their other neighbors, but let us talk about ourselves: Our concept of modern socialism is different from that prevailing in Romania, and the direction of our practice and thinking is also different. We want to

follow the road of reforms and of democratic socialism, and we want to guarantee the people's right to freely choose and decide on everything that determines their lives. We are not afraid of the market where the value judgment reflects the efficiency of our work, and we are not afraid of individual interest. We do not believe that we possess the philosopher's stone, but we also doubt that the prayer-like repetition of leaders' speeches can cure all of the problems of society. We also think that human rights are universal and guaranteeing these rights does not mean giving in to "class enemies." We believe that socialism with a human face should assure these guarantees to everyone: atheists and believers, people with Hungarian as their mother tongue and also to people with other mother tongues. Only in this way can we make everyone feel at home in the land in which he was born. We think that it was a symbolic act when the Hungarian and Austrian foreign ministers used wire-cutters to jointly cut the barbed wire fence along the border that separates us from our Western neighbor. (More precisely, it is a border that now connects us, and we hope that there will be more borders that connect people in the common European home.) Besides, for a long time now, we have stopped believing that barbed wire obstacles and similar installations could be real political means. Approaching the end of our century and in today's age of the modern technology, these obstacles can hinder the peoples' movements but they cannot stop the flow of ideas.

As we are often reminded, neighboring Romania thinks differently about all of these questions. Nobody can be denied the right to be concerned. Many people are also worried because daily we receive news from people who cross strictly guarded borders to find refuge here. Some of this news is agonizing. However, concern is one thing and the Warsaw Pact is another. The functions of the Warsaw Pact are precisely delimited by international law and they are defensive in nature. One can hardly expect some kind of common "determining" function to which the aforementioned quotation seems to refer. There were times when indeed there were such joint evaluations within our system of alliance and certain decisions did emerge; but, to put it mildly, they did not bring much benefit. Putting it more precisely: These have only harmed the peoples and the international prestige of socialism. There can be a slight historical hitch in the name of the so-called Brezhnev Doctrine because Brezhnev was not the first one to use it. However, it is certain that this doctrine is finally dead and buried with Brezhnev for good.

Nobody can revive this doctrine in any form in 1989.

Former Romanian Foreign Minister Sends Letters

AU0307134989 Budapest NEPSZABADSAG in Hungarian 27 Jun 89 p 2

[MTI report: "Manescu Writes Letter Asking for Help"]

[Text] The French and FRG ambassadors in Bucharest recently received a letter from former Romanian Foreign Minister Corneliu Manescu whom the Romanian authorities are keeping under house arrest. This was announced by the Foreign Ministry in Bonn on 26 June.

The 73-year-old, ill statesman Corneliu Manescu is one of the Romanian public figures who recently criticized Nicolae Ceausescu's regime in an open letter. According to the announcement made by the FRG Foreign Ministry, Manescu's letters contain important information about the fate of the elderly statesman, although the circumstances in which these letters were written are not clear. According to the position of the FRG and French Foreign Ministries, a personal contact with Manescu would be important. The two foreign ministries stress that, so far, the Romanian authorities have foiled any attempt in this direction.

Daughter of Romanian Dissident Interviewed

AU3006150089 Budapest MAGYAR HIRLAP in Hungarian 27 Jun 89 p 2

[Interview with Ariadna Comes, daughter of Romanian dissident Doina Cornea, by Gyula Keszthelyi: "A Romanian Who Thinks Differently"—date, place not given]

[Text] Ariadna Comes is the daughter of Mrs Doina Cornea of Kolozsvar [Cluj], one of the famous representatives of the Romanian opposition. Ariadna Comes is also very active: She is deputy chairman of the Romanian League of Human Rights. She lives in France. Together with other Romanian emigrants, she came to Budapest on 16 June. In the following, we publish a few parts of an interview she gave to correspondent Gyula Keszthelyi in an interview broadcast on the 26 June edition of the "Panorama" program on Hungarian television.

[Keszthelyi] You arrived here for the funeral on 16 June. What made you participate in the funeral of Imre Nagy and his martyr associates?

[Comes] My first reason was, as it were, personal. I grew up in Romania and, although, as a child, I could not understand what exactly happened in 1956, my parents kept the memory of those tragic events alive. Everything that happened in 1956 affected not only Hungary but all the other countries in Eastern Europe. The rehabilitation of Imre Nagy and the funeral represent a return to a truer history.

[Keszthelyi] Your mother, Mrs Doina Cornea, is one of those few people who have been respected for years not only by the Romanians but also by the members of the national minorities for her consistent stand. How can your mother take the constant harassment? From where does she get the power for this? What is her secret?

[Comes] Many people ask this question. I think that the secret lies in her internal power. My mother has a very deep belief.

[Keszthelyi] Together with the other Romanian emigrants who arrived in Budapest and with several members of the Hungarian Democratic Forum, you also signed the declaration that outlines the possibilities of a Hungarian-Romanian reconciliation. What do you expect from this document?

[Comes] First of all, I must say that the tension among the communities of people living in Transylvania is increasing. In my opinion, this tension derives from all kinds of rumors and from a policy which it is not enough to call chauvinistic and discriminatory, because it is much worse than that. Transylvania is the meeting point of several communities of people and is still the cradle of a completely original civilization. Therefore, we hope that the declaration we have signed will represent some kind of guarantee for the confidence that both sides have to show.

In connection with this declaration, of which the Hungarian public is probably already aware, I must also say that we also included principles here about which we did not even have to argue. From the beginning of the talks, both for us, Romanians, and for the members of the Hungarian Democratic Forum, it was clear whom we are facing. We find it natural that all the problems that caused a historical trauma in Transylvania will obviously be solved in a multiparty parliamentary free system, and in the spirit of the Helsinki accords, namely by guaranteeing the free movement of persons and the free flow of ideas and cultures. I think that the coexistence of Transylvanian Hungarians and Romanians would present no problems in a free country and a democratic state.

'No Money' for Sharing Dam Project With SFRY

LD0307135489 Budapest MTI in English 1151 GMT 3 Jul 89

[Text] Budapest, July 3, 1989 (MTI-Econews)—Hungary has no money to be put to use for sharing in the joint construction of four Yugoslavian-Hungarian hydroelectric power plants on the River Drava, Minister of Environmental Protection and Water Management Laszlo Marothy told the Hungarian parliament over the weekend.

The River Drava forms the Hungarian-Yugoslavian border for over 200 kilometres, and agreements envisage the joint building of 4 dams along this stretch of the river. The construction of the water barrage system has already been completed on the Austrian stretch of the River Drava, and the last all-Yugoslavian power plant, built at Dubrava near the Hungarian border, is to be inaugurated in the near future. Under the Hungarian-Yugoslavian agreement signed last February, the building of the first joint Hungarian-Yugoslavian hydro-electric power plant should be started next year.

One-eighth of the plant to be built at Diurdievac will lie on Hungarian territory, and the rest in Yugoslavia. According to territorial proportions, one-eighth of the energy produced at Diurdievac would be suppled to Hungary if it takes part in the construction. The amount is estimated at roughly an annual 100-200 million kilowatt hours of the energy to be produced by the 18-megawatt power plant. (At present, Hungary has a power plant capacity of 6,500 megawatt).

Hungary should directly invest about 2 billion forints (U.S.$32.2 million) in the plant, and a further 300-600 million forints (U.S.$4.8-9.7 million) in the construction of other accessorial facilities for environmental protection, sewage, and other purposes. However, at present, Hungary simply has no money for these purposes, the minister said.

Hungary cannot think of a possible way to join in the construction even if Yugoslavia is willing to build the power plant on its own: That is, even if Yugoslavia were willing to grant the Hungarian party's immediate cost in the form of a loan, and Hungary were to repay it by transmitting its share of the energy produced at Diurdievac to the Yugoslavian side for a period of 18 years.

However, complementary constructions would also have to be completed in this case too, and "in this century" Hungary will not have any financial means at all for this purpose, ministerial sources believe.

Yugoslavia will build the power plants even if Hungary does not take part in the constructions, but in that case Hungary will be excluded from the benefits of energy yielded by this stretch of the River Drava.

TRYBUNA LUDU Queries Bush Before Visit

AU0507085389 Warsaw TRYBUNA LUDU in Polish 3 Jul 89 p 4

[Interview with U.S. President George Bush by TRYBUNA LUDU correspondent Zbigniew Broniarek, POLITYKA reporter Daniel Passent, and NOWY DZIENNIK reporter Andrzej Kwasniewski: "George Bush Interview Before His Visit to Poland"—in Washington on 30 June; parenthesis as published]

[Text] President Bush: Let me say at the beginning that our visit (to Poland) is not meant to complicate the situation. Rather, it is meant to demonstrate American interest in Poland and support for Poland's general aim to improve relations with the United States and the West in general. It is obvious—and I do this in every country—that the visit will provide me with an opportunity to present our views on freedom and related issues freely and openly. But this visit is not meant to complicate issues between the Soviet Union and Poland. The visit conforms to my view whereby Europe should be united and free, and to my desire to welcome the changes that have occurred (in Poland), and, I hope, encourage Poland's search for a greater scope of democracy and economic reforms.

That is why we are going (to Poland) in a constructive spirit, not a critical-minded one. We do not intend to complicate anyone's situation to any extent.

Broniarek: Mr President, the composition of our group is evidence of Poland's progress on the road to pluralism, for we have a "Solidarity" side and government side. Is it not interesting that you were in Poland 1 year and 9 months ago and that you are now going for the second time? Is there any specific reason for this?

President Bush: During my first visit, we had an opportunity to meet with Mr Walesa, and of course we experienced wonderful hospitality from General Jaruzelski. As you say, there was no real contact between "Solidarity" and the leadership then. Let me say once again that during that visit, I did not want to drag myself into (involve myself in) Poland's domestic affairs. Nevertheless, because I was there, because I was allowed to speak on television and say what was on my mind, and because I was able to meet with Jaruzelski—I beg your pardon, Walesa—even though "Solidarity" was illegal then, we developed strong feelings for Poland. Signs of change were detectable (even then). And since then, (further) changes have occurred, an evolution has occurred (in Poland). That is why it is the right thing to go there again and hold talks with (Poland's) leaders in a spirit of mutual respect—(talks) on their aim toward economic reforms; on my aim toward an era which, as far as East-West relations are concerned, we call a "departure from the policy of halting" (communism); and on the evolution of (East European) countries toward the West, to an extent which suits them. Our visit makes sense, because affairs are developing and moving in a direction which we consider to be favorable.

Apart from that, I was vice president the last time I went to Poland. That is different from going there as President. Each time, we have only one President and only one vice president. But a President is seen differently than a vice president when he says how much a development of relations in a given country means to the United States.

Krajewski: To be more specific, what would you like to tell the Polish people about America's attitude toward our efforts to achieve self-determination, the free elections that took place recently, and our achievements in freedom of speech and—to put it in more general terms—in restoring free will in Poland?

President Bush: Let me say it straight. Our visit symbolizes our support for Poland's progress toward a greater scope of democracy. I had an opportunity to underline this 2 years ago, and I shall do so once again. We are concerned with a symbol. Let me say that we are pleased by the changes (in Poland). (But) I do not want to look as if I am trying to exert petty influence on the changes in Poland. I will not do that. However, I think I have every reason to say that I am pleased by the changes in Poland.

Obviously, we monitored the "roundtable" talks and eements, and we welcome these agreements. As you know, we are dedicated to the principle of people's representation. We perceive the changes (in Poland) in the way in which the nation's representatives are elected and the way in which they represent the people. We also welcome such a development of events. I will dwell on this subject matter (in Poland). Right now, there is a historic chance there to bring about an end to the postwar division of Europe. We know that Europe is divided. But if we behave toward the Soviet Union in an appropriate way and if the changes we see there continue, the day will come when we shall see a freer Europe as a whole.

Krajewski: You said that in your speech in Vienna in 1983.

President Bush: Yes. I also spoke about differentiation there (different treatment of various socialist countries—the editors). Vienna indeed made me feel confident that I would be able to travel to Poland with a similar message. Thus, we are dealing with evolution here.

Passent: Mr President, you used the word "changes" several times during the first few minutes of this interview. Everyone can see the present changes in Poland. They are too slow for some, and too fast for others.

President Bush: Yes.

Passent: However, as a very experienced politician, you also know that good politics requires not only changes, but also certain elements of continuity and stability in order to prevent outbursts that could lead to a deeper crisis. Would you like to tell us what elements of continuity you would like in Poland and you fought from central and eastern [question as published].

President Bush: I want to see a respect for the will of the people. Apart from that, to be honest, I would like the Soviet forces to withdraw from Poland. I do not think anyone still sees any danger of an invasion of Poland by the West. I would also like the continuity of the changes (in Poland) to be such that the Soviet Union may feel calm about withdrawing its forces from Poland.

By saying this, I do not want to kindle the (process) of change, if that is what you have in mind. It seems that the people (in Poland) are managing quite well; having held the elections and (round) table talks. Therefore, I do not want to do through carelessness anything you say or ask about, in other words the commencement of a crisis which would require different responses. I do not want that, and I will do nothing on purpose that could cause a crisis.

I would like to feel able to speak freely (in Poland) about what is dear to us, about what Polish Americans think, about where we are heading; and we are heading toward a freer Europe as whole, just like I spoke freely today in front of the memorial (to the dead) of Iwo Jima (a Japanese island in the Pacific, captured by the Americans in 1945—editors). I think we can do that without exacerbating the tension that I know exists in Poland.

Passent: Does that mean you support the withdrawal of all forces from the whole of Europe, from all countries?

President Bush: I would like to see the beginning (of this process) in the form of a withdrawal of forces from Poland, because I think there is no danger of an invasion of Poland from the West. I do not think there is anyone in Poland who thinks there is a danger of an invasion of Poland from the West.

However, and this is a continuation of my answer to your question, I want to exert pressure on the implementation of the bold plan that we tabled before NATO and which would effectively reduce American and Soviet forces deployed outside the borders of these two countries. This would be a good sign. Later we will take the next step. But as long as we have huge disproportions between Soviet forces, bloc (Warsaw Pact) forces, and NATO forces, it is difficult to imagine a withdrawal of all forces. However, it seems to me that we are on the right track and are proceeding at a good pace. We will continue along this road.

Broniarek: Mr President, let me get back to your return visit to Poland. In September (1987), you had an opportunity to talk to General Jaruzelski, the man who introduced martial law, but who also brought about the "roundtable" talks and the first genuine elections since World War II. What do you now expect from your talks with Gen Jaruzelski?

President Bush: We possess a basis, we possess a point of departure. He devoted a disproportionately great amount of time to me, and I say this with respect. I was vice president, and he was the head of state. That is why I warmly recall his great civility toward me. Thanks to this, we had more than just a casual talk. We even had an opportunity to discuss "Solidarity" with Jaruzelski, whereby he knew what I thought about this organization's delegalization. He himself expressed his own views with great clarity.

An evolution of views has occurred since then. That is why I think we should tackle these subjects where we started them, and say afterwards: We are agreed on this point. We want to help you in an economic sense. In certain points, this will not be easy because the reform concept must obtain complete approval from international financial institutions. That is an important matter. I expect him (Jaruzelski) to say: I am trying to implement the reforms, but do not push me too hard against the wall in this matter. I understand that, but I will say to him: Please understand my position. We want to give you OPIC aid (Overseas Private Investment Corporation—government guarantees for American private investments abroad); we want to help you in privatization and in the sphere of special trade privileges. But we have to know whether you will be able to continue the present reforms and expand them in such a way that the economic system may function undisturbed. And that is the key to the matter. That is not an easy thing for many regimes in the world. It applies not just to Poland and Hungary in eastern Europe, but many other countries.

I know that what I will say will not be easy for the regime to accept; in fact, it will not even be easy for those in the opposition to accept. Right now I also mean the newly-elected people. But I think I owe the people I meet an honest assessment; I owe them a frank opinion as to what we can do and how much economic aid we can give.

Krajewski: Let me pressure you a bit on this matter, Mr President. Do you intend to formulate any specific conditions for American aid for Poland, and would you like to exercise control over the implementation of these conditions?

President Bush: Not control. We are not trying to control the domestic affairs of another country. But we want to be clearly understood that in order for a country to receive this kind of financial help from the outside world, private investments, which I think can be very helpful, and specified reforms must take place.

But that will not happen... But I am not going there in an arrogant mood, claiming that we know all the answers, because they (the Polish side) might give us tit for tat and ask us about our internal debts (laughter). And then I would be in trouble. They might really ask me that. If they do, all right, I will say what we are attempting to do, and one of the measures we are trying to introduce is to live at a level we can afford. And that means less money for many of the things I would like to do in the world. In other words, we are dealing with "paragraph 22" here (laughter).

Passent: I sometimes get the impression that both sides, Poland and the countries of the Western alliance, expect too much from each other. The West expects from us changes to the economic system and the introduction of a pluralistic democracy, and at the same time the preservation of an essential level of stability and the country's protection against collapse.

On the other hand, our country expects from the West considerable help that would make all this possible. At the same time, all these changes are meant to take place in a country that is so heavily in debt and whose economy is in such a state of turmoil.

President Bush: Well, it seems to me that you are raising a very interesting issue, and I notice that you have expressed it in carefully chosen words. But I repeat that I do not want to sow tension. I do not want competing forces to act against my will. I do not want to say something that might complicate the present movement toward democracy and economic reform.

I am sufficiently convinced that both these things are essential for Poland, and for the Poles, so that they can enjoy the freedom that the majority of them seek. However, I do not want to say that you should have a senate with 100 representatives, a congress with 435 representatives, a president and a vice president, and 50 states, that is to say, that you should have our system.

However, I would like to say that we have common values. I think of the Poles as valuing freedom highly. I think of them as fighters, who travelled a hard road during World War II, as standing up to the hordes, which finally proved to be unbearable. I think of Poland's patriotism, I think of the love that Americans of Polish descent feel for Poland.

What I will be trying to find among the people that I will speak to—whether they are from the unions or the regime—is understanding, because we want to help, and we really admire the changes that are taking place. I do not want to treat everything solely in terms of East-West relations. We have problems in this respect. We are keeping our eyes open, but we also want an improvement in relations with the Soviet Union. However, I could not look at the enormous differences in conventional forces, for example, and say in the United States that we have no reason to be concerned about Soviet intentions. They are modernizing their intercontinental missiles and their nuclear weapons. They have a disproportionate superiority in conventional weapons.

I do not intend to be so naive as to say that there are no differences among us on the question of our approach to the Soviet Union. When Gorbachev speaks about a European home, we agree, but let us open all the doors, let us enable people to move from room to room in that house. This should not be a source of antagonism for anyone.

Broniarek: Mr President, you are known as a man of reconciliation, an architect of agreements, and an opponent of extreme solutions. Can we write that George Bush, the President of the United States, is unequivocally behind an evolutionary path of change in Poland, one without explosions, and without ruptures in dialogue between various social forces? Can we write that?

President Bush: Yes, you could write that. However, I do not want you to write that in a way that suggests that I want to discourage those who hold different views. In other words, I do want to discourage those who previously stood outside the system and are now trying to enter it, those who did not take part in elections for many years and now have an opportunity to join in. I do not support the status quo. That is to say, it is not my job to do that. I want to say: That is our position! That is the position of the United States!

I have aspirations for Poland that stem from the heart, because I am keenly aware of what those who have come to our country from Poland feel for their fatherland. I would prefer to stop at this point rather than try to support the status quo. I must prompt and encourage economic reforms that go as far as possible, political freedom that goes as far as possible. If I were not to do that, I would not be telling the Polish people the truth, and I would not be a good president of my own nation, the United States.

It may not be as delicately put as previously, but it is important. You see I do not feel bad when Gorbachev goes to West Germany or France. Fine, let him go. The more help he gets, the better he is received there, then as one says, carry on! But carry on doing what? Carry on the reforms and changes. Did anyone, even 2 years ago, anticipate that such lively political debates would take place there (in the Soviet Union)? As U.S. President, I am not irritated by the fact that Gorbachev receives such acclaim in Europe, in Western Europe. Similarly, he should not feel irritated when I bring a message of freedom and democracy to Eastern Europe. In my opinion it is none of his concern, just as it is none of my concern when he visits France or West Germany.

Thus, it is with a non-adversarial attitude that I shall be going. You want a common European home? Fine. But let us open all the doors so that we can move about freely, then we can see what is happening with the

economy, free trade unions, and freedom of politics. I believe that one can talk about these things because we have achieved certain successes in these fields. This is not to say there are no problems in the United States. In these matters, that is to say, freedom of travel, freedom of saying what one thinks, the freedom of forming trade unions, the freedom of speaking out politically, I believe we know what we are talking about. We want to share all these things with you and it is in this spirit we shall be travelling (to Poland).

Passent: Mr President, the last question is on a slightly more personal line. If you were a young Pole would you be one of those people queuing outside the American Consulate in Warsaw or Krakow in order to emigrate to the United States, or would you be one of those who would rather stay and fight with the problems of everyday life in Poland?

President Bush: I really do not know what a young Pole would think, but I know what I think and what I would like him to think: Look, I am living in times of dynamic change. It is a time of the greatest hope for my country for many, many years. I want to be a part of what is happening and to participate in it. I want to be a candidate in the elections. I want to join a free association. I want to be in a government which will bring economic relief to my people. I want to see Poland held in high esteem throughout the whole world; its art, culture, and its heroism. I, Stanislaw, or whatever my name might be, being 21 years old, want to be part of this system. This is the way I would want to do it. This is the way that, I hope, a young Pole would see it.

Maybe it is too much to expect because times are bad economically and people think that the grass over here is always greener and that the ocean is not so wide. If I were to find myself in Chicago, then maybe I could be somebody and do something. Even if a young Pole finds himself in Chicago his heart should still beat with the love for his fatherland.

Nevertheless, I hope that the majority will say: Yes I want to be part of these changes which one can smell in the air.

Broniarek: Thank you Mr President. Our best regards to your wife and have a good trip to Poland.

Editorial Views Interview

AU0507130089 Warsaw TRYBUNA LUDU in Polish 3 Jul 89 p 4

[Commentary by Zygmunt Broniarek: "Poland, Europe 'As a Whole,' and One's Own Objectives"]

[Text] This was the first interview for the Polish press given by any U.S. President. This fact, which has been underlined by White House employees, serves as yet another piece of evidence of the importance which President Bush attaches to his Polish visit. He laid great emphasis on the constructive nature of this visit; on his desire to encourage a stabilization of the situation in our country during the constant move forward that is based on the political and economic reforms; and on his aversion to exacerbating the tension whose existence in Poland he acknowledged. Worthy of mention is the fact that the President stated several times what he is abandoning prior to his departure for Poland. Thus, he rejected attempts to dictate to the Poles how they should shape their future, "petty influence" on this future, and the imposition of American solutions on the Poles. He also rejected all "arrogant moods." This "negative selection" was even more notable in view of his tangible warm feelings for our country and for the changes occurring there.

The President's present visit to Poland is taking place 1 year and 9 months after his September 1987 visit when he was vice president, but it is not and it cannot be a mere continuation of that visit. Bush himself placed great emphasis on the fundamental difference between the views of the U.S. President and those of the vice president, which is obvious. Less obvious, however, was that he mentioned this difference in order to highlight the impact of his talks with General Jaruzelski on his political thoughts about Poland. Bush said: "He (Jaruzelski) devoted a disproportionately great amount of time to me, and I say this with respect. I was vice president, and he was the head of state." (In the English text, this was "head of the entire state," which cannot be literally translated into Polish, but is important in order to understand Bush's assessment of Jaruzelski). "That is why," the President continued, "I warmly recall his great civility toward me. Thanks to this, we had more than just a casual talk." I watched Bush at this point. It seemed that his words about Jaruzelski were not casual either, but had been brought on by his respect for the Polish leader.

We journalists conducting the interview were struck by the fact that Bush devoted a lot of time to affairs of Europe "as a whole," without even being asked to do so (it happened in the first part of the interview). However, his statements contained tones which he had already presented at his 27 June news conference and which are connected with his policy of "differentiation" (different treatment of various socialist countries). The criterion governing differentiation used to be "an independent foreign policy" and "internal reforms." Today, Bush talks of a new criterion: "The evolution of (East European) countries toward the West." He said this categorically at his 27 June news conference. In our interview, he added the following addendum: "to an extent which suits them (the East European countries)." This nuance is important and needs to be stressed. However, the principle remains, and conforms to Bush's thesis whereby the unification of Europe must take place "on the basis of Western values."

Bush spoke just as spontaneously about his demand to withdraw Soviet forces from Poland. More than spontaneously, in fact. Passent asked him about "elements of

continuity" in central and eastern Europe, whereas Bush demanded changes to an important point dealing with military strategy in Europe. He did not consider the permanent presence of Soviet forces in Poland as a component part of the problem of European disarmament, but as a "separate" matter, or, at the most, the "start" of a process of disarmament, which was also given separate treatment. Another feature which we thought complicated the issue, including the question of withdrawing Soviet forces from Poland, was the fact that Bush glossed over the presence of English and French forces in western Europe, which will play a great role in a real solving of the question concerning the withdrawal of foreign forces from Europe. And finally, Bush's repetition, several times, of the "enormous superiority" of Warsaw Pact conventional forces over NATO forces shows that, contrary to the expectations of Western experts, who have deleted the term "enormous superiority" from their dictionary, he will use this feature as a chief argument at the Vienna talks, and this will certainly not make the talks easier.

One of the most characteristic features of Bush's assessment of East-West relations was his, also spontaneous, remark that he does not begrudge Gorbachev for attracting such great applause in western Europe. None of us asked Bush about this, because the matter was far from our thoughts, and because no one wanted to embarrass the President, and thus embarrass all of us. He brought the matter up himself, which means that it lies close to his heart.

Bush's reply to the question about a young Pole's place—whether in front of the American consulate in Warsaw and Krakow waiting to emigrate, or in Poland—was more than significant. It was so clear that Bush, not knowing the Polish language and popular Polish sayings, said more than he intended to say. Expressing the thoughts which he reckoned a young Pole—"Stanislaw"—ought to have, he said: "It is a time of the greatest hope for my country for many, many years. I want to be a part of what is happening and to participate in it." Afterwards, he added: "Maybe it is too much to expect because times are bad economically and people think the grass over here is always greener" (meaning the United States). The meaning of his statement was clear. It is indeed a time of "the greatest hope" for Poland. However, he is coming to Poland on account of the phenomena that have created this hope.

Former Deputy Secretary of State on Bush Visit

AU0507132089 Warsaw TRYBUNA LUDU in Polish 3 Jul 89 p 5

[PAP report of interview by John C. Whitehead, former First Deputy Secretary of State under Ronald Reagan, given exclusively for PAP and Polish Television: "Poland Needs Calm and a Stable Government"—date not given]

[Text] John C. Whitehead, first deputy secretary of state of the United States in the Reagan administration, gave an interview in New York to the PAP's Washington correspondent and the New York correspondent of Polish Television.

John C. Whitehead, who held talks in Warsaw earlier this year, was the first representative of the United States Administration at such high level who initiated the dialogue with the Polish Government aiming at normalizing Polish-American relations and he played a key role in the development of these relations.

President Bush's Administration attaches great importance to his opinions and views on Poland and Polish-American relations. John C. Whitehead is still vitally interested in Polish affairs and stresses that the fate of Poland is not a matter of indifference to the American people.

During the interview he stated that he still gets great satisfaction when he recalls the talks he had in Poland. He candidly admits that he never anticipated such fundamental changes would occur in Poland so rapidly.

If we compare what is happening in Poland today, he stated, with the extent of the conflicts and mutual suspicions between the authorities and the opposition which existed in Polish society not so long ago, then it has to be admitted that we are seeing positive changes of tremendous significance. I cannot remember any country which has achieved such profound changes in such a short space of time, he added, and I wish to express my admiration and extend my congratulations to Polish society for the moderation and the self-restraint it has shown. Americans look at Poland in admiration today.

In the new situation, he continued, where the Polish people are assuming a greater measure of responsibility and making unfettered decisions concerning their own fate, they must be always be conscious of the vital importance of their national and state interests.

The results of the elections to the National Assembly in Poland, he continued, incline one to believe that Polish society now has the possibility of greater articulation of its interests and of defining its position.

On being asked the question whether he thought that in a country so profoundly divided as Poland is, people of different political orientations should try to find a common denominator of national interest and strive for internal stability so that the fundamental economic problems of the country can be solved, John C. Whitehead replied that in view of the present political situation and the opposition's reluctance to participate in government, the institution of the president, newly created in Poland, assumes a great role and can be a factor acting for stability.

Recalling the talks he had with the chairman of the State Council Wojciech Jaruzelski which initiated the Polish-American dialogue, and bearing in mind the events of

the "roundtable" and the elections, John C. Whitehead stated, that he saw clear and deep changes in the stance of Wojciech Jaruzelski, changes which cannot but elicit feelings of great respect and which deserve recognition.

J. Whitehead expressed the opinion that Wojciech Jaruzelski is one of those leaders who do not bear grudges and can rise above personal ambitions putting the interests of the country and nation first.

Discussing the institution of the president in Poland, John C. Whitehead stressed that without doubt the country needs peace and stability of government as these were the conditions needed to pull Poland out of her deep economic crisis.

Stressing the responsibility which "Solidarity" now shouldered, he noted that the opposition had a difficult task and challenge, namely, participation in deciding the fate of the country.

My "Solidarity" friends, John C. Whitehead stressed, must understand that being in opposition to the government, something which every opposition does, is one thing, but to be the government, or participating in government is another. It is a great responsibility.

After the elections to the National Assembly, John C. Whitehead stated, "Solidarity" has a part of that authority in its hands and it must show greater responsibility for the fate of the country and the nation. It must act to secure stability in Poland in order that the implementation of economic reforms can take place. It is the economy that will decide the fate of Poland.

Bearing in mind his great knowledge of Polish affairs and his continuing interest in the Polish transformations, he was asked whether he was anxious for the fate of Poland and whether he thought that the events taking place in Poland could get out of control. John C. Whitehead replied that he was truly anxious for the plight of the Polish economy and the developments occurring in Poland. Polish society does not yet realize, he continued, that it faces a very hard road ahead. Poland needs tremendous capital investment and I fear that the present political situation may appear to give the illusory hopes of a quick economic improvement.

J. Whitehead expressed the opinion that the new leaders who emerged as a result of the election, will not be in a position to fulfill hopes placed in them by Polish society. Ahead of Poland there is a hard difficult road of effort, self-denial and patience before the first fruits of economic recovery appear, he concluded.

Inaugural Meeting of Sejm, Senate Held 4 Jul

Jaruzelski, Walesa Present

LD0407152889 Warsaw PAP in English
1125 GMT 4 Jul 89

[Text] Warsaw, July 4—The Polish Sejm (lower house) started its inaugural meeting here at noon today.

The debates were opened by senior Sejm speaker Zbigniew Rudnicki (Democratic Party).

Present are Wojciech Jaruzelski and Lech Walesa.

Jaruzelski Urged To Reconsider

LD0407153489 Warsaw PAP in English
1320 GMT 4 Jul 89

[Text] Warsaw, July 4—During this morning's debates the PUWP [Polish United Workers Party] floor group recommended deputy Tadeusz Fiszbach as a candidate for the office of deputy Sejm speaker, taking into account the course of the election campaign as well as tendencies and trends prevailing among PUWP deputies.

The group also discussed other recommendations with regard to some Sejm bodies and the State Tribunal.

The PUWP caucus again discussed the issue of presidency. Wojciech Jaruzelski's statement in this respect met with broad response in Poland and abroad.

The PUWP deputies upheld their support for the candidature of Wojciech Jaruzelski and turned to him to reconsider his decision last Friday.

Solidarity Deputies Attack Government

AU0407145789 Paris AFP in English
1435 GMT 4 Jul 89

[Text] Warsaw, July 4 (AFP)—Two of Solidarity's leading theorists made a forthright attack on the Communist government in their first appearance Tuesday in the newly elected parliament, the Diet.

Jacek Kuron accused the administration of working against Solidarity's campaign in the recent elections when it won an overwhelming victory.

The government had refrained from putting up prices during the election but slapped them on the moment the trade union won its victory, Mr Kuron said, which had "only increased the spiral of strikes."

He added that the government's handling of the economy was "worrying".

His colleague Adam Michnik demanded that two candidates be allowed for the forthcoming presidential elections instead of only one. Mr Michnik said that people wanted to choose, not just vote.

The entry of Solidarity's deputies into the parliament brought a younger and more casual feel to the normally austere atmosphere in the building, observers said. Representatives of the trade union milled around in T-shirts carrying the Solidarity symbol.

Senate Begins Inaugural Debate

LD0407162789 Warsaw PAP in English
1545 GMT 4 Jul 89

[Text] Warsaw, July 4—An inaugural debate of the Senate (Upper House of the Parliament), opened by Senate speaker—senior Stanislaw Stomma started today at 17:05 hrs.

Rakowski Addresses Senate

LD0407210389 Warsaw Television Service in Polish
1807 GMT 4 Jul 89

[Speech by Polish Premier Mieczyslaw Rakowski to the Senate; live]

[Text] Good evening, ladies and gentlemen. Please forgive me for using a written text this time, but the matters I want to talk about today demand carefully chosen and weighed words. It is 9 months since I was appointed premier of the Polish People's Republic. Today, in accordance with Constitutional principle, I submitted my government's resignation to the newly-elected Sejm. Those 9 months were not easy, in the life of society as a whole and in my life. Every day I was weighed down by the awareness that my dream model of a Poland as a thrifty country governed by sensible and just laws; populated by reasonably happy people, satisfied with their fate, was impossible to achieve within 1, 2 or even 5 years.

On the other hand, I was also weighed down by the awareness that many Polish men and women expected that Rakowski would quickly change the difficult and burdensome reality. It was this conviction that resulted in the general acceptance of the choice made by the Sejm of the ninth term. Because this did not happen, unfortunately, for it could not happen, the hopes of some Poles gave way to disillusion. I understand this, although I don't accept it. The prosperity of Poland and its citizens does not only depend on the Government, on the Sejm or on me personally. Let us not stop repeating that the Poles' fate depends on the attitude of millions of people to work; to the existing rights and responsibilities: And not only the privileges guaranteed by the Constitution of People's Poland. It is also depends on a readiness to break with the bad, sometimes shocking, habits we have become used to in the past decades. I won't list them, because each one of us knows what is meant. I want to talk about the specific situation; about matters that interest millions of people. We know that the most aggravating things today are prices and the worsening supplies of basic consumer goods.

The situation in the meat market is developing particularly unfavorably, people cannot even buy their meat rations. If it is a question of the increasing prices for industrial and other goods, we have many times explained the mechanism which drives growth, similarly as the growth of wages and the raising of the inflation spiral. It is, however, obvious that an explanation of the reasons as to why the Polish economy is as it is today and not otherwise, cannot have a soothing effect on impatient consumers, nor decrease worry about the future. However, one has to reckon with realities. None of us can do anything about that.

I know about various commentaries on the recent prices increases of sugar, alcohol, petrol and cigarettes. Some say that it is typical of successive governments, which reduce the economic reform simply to price increases. People talk about a simultaneous increase in wages either unwillingly or not at all. I heard from a certain milieu that the rises are a revenge by the government for the lost elections, and from another, that it is a question of consciously creating public unrest, so that the goverment with the help of the forces of law and order might intervene in what's happening in Poland. I don't think it's worth taking issue with that kind of talk at all. Who depends more on public calm than the government, which knows that any kind of unrest might shatter its intentions and position?

The prices determined by the government are not raised because that's what we like, because we want to imitate someone, but because it is an economic necessity. The ratio of prices in Poland has been incorrect for years. Food continues to be cheap and industrial goods are expensive. Increasingly larger sums of money are being given to subsidies allocated to food sold in the shops, and that is why we must replace artificial interventions by economic laws.

And the efforts of the economic principles are not always gentle and nice to people. A serious step is awaiting us which we must make in this direction. It is the countryside, above all, which supports the introduction of market mechanisms into the food economy.

With the present artificially low procurement prices, farmers are starting to limit unprofitable production. Production stops being profitable because, among other things, the prices for means of production used by peasants have gone up. Thus, there is a need to carry out a fundamental restructuring of the food market. The main principle of the government plan for the introduction of market mechanisms is the introduction of free turnover and free prices for meat and all foodstuffs. This, however, is not an easy matter, as it concerns not only farmers but also the urban population. It is easy to say: Free prices, but vital interests of individual people are at stake.

I would not like to create an impression that my attitude is too cautious. The crux of the matter, however, boils down to the sense of responsibility. In this very complex and difficult economic situation, when one takes into consideration the social moods, as well as the habits of many years, hasty measures are not advisable and teeter

on the brink of adventurism. Only capitalists, and only 19th century capitalists, could afford ruthless measures, without taking people and their needs into consideration.

Let us now move on to another matter. As from 1 July the government introduced a freeze on prices and pay for 1 month. Why did we decide to take this step, which has both good and bad sides? There already are, in fact, people who see only the bad side. What harm is there in being a professional critic? Our intention was, on one side, to introduce at least some peace in the market and, on the other side, to create more favorable conditions for a less nervous discussion on what to do and how, so that the introduction of free prices for food, compensated for by wages, should bring about the expected results, so that it should not worsen but improve the situation.

Much work awaits us, along with all the trade unions, on working out the best concept. We need social peace for this concept; a market which, as far as possible, is not devastated by excessive purchasing. Will we achieve the intended aim? The fate of this operation also depends on the consumer, on his discretion and desire to take part in a real and not merely an empty rescue of Poland from the crisis.

These are the most immediate matters, about which I wanted to tell you today, ladies and gentlemen. But there are also others. In the weeks which have gone by since the elections to the Sejm and Senate, criticism of the government's policies led by me has grown in strength. It is conducted by representatives of various political orientations. I hear that the Rakowski government has done nothing significant, that it has not achieved deep and radical reforms. I resolutely reject these accusations. Since November last year, the government initiated and, in part, has already carried out a deep change in the economic model, in legal and economic principles of the functioning of the economy. We broke the back of the old economic system, which had outlived itself. The new system is only just emerging. It is crawling around on all fours like a baby. I believe that the direction given is correct, but this baby will still trip up 5, 10 and 20 times. It is because the issues lies in this, that behind every fact which occurs within the economy, stands a person, with his habits and interests, and it is completely irrelevant whether he has a Solidarity label on his lapel, or also a Polish United Workers Party [PZPR] badge, or a green clover. We are achieving an economic revolution all together, without help from outside. It is unfortunate, but no dollars or Marks make it easier for the Polish economy to shed its skin. Whoever calls the difficulties of transformation an economic collapse, or simply bankruptcy, misleads people. We are not attempting to patching up holes, but we are attempting the great risk of real transformation in political and economic relations in Poland.

Let those people who think we weren't radical enough consider for a moment what they are saying. We have only two solutions: Either we endure the present market difficulties, this whole painful economic upheaval; or else we return to an ineffective economy, perpetuating our economic backwardness for many years ahead. The acceleration of reforming measures adopted by the government in the economic sphere was augmented by radical changes in the country's political system, whose direction was clearly defined in the Resolution adopted by the 10th PZPR Central Committee Plenum. The Act on Associations created the foundation for social pluralism. New organizations were set up, of varied political shades. The government took an active part in the Roundtable deliberations. We are honestly implementing the joint decisions. Solidarity has been legalized. Elections have been held. The legal system is being changed. The freedom of the press has grown. Every Pole can since recently, have a foreign passport at home. This is no trifling matter, after all, either.

An act regulating the status and rights of the Catholic Church in Poland, agreed on with the Church, has been passed. We have finally broken Poland's political blockade from the West. As head of government, during those months, I established many contacts with eminent politicians in the East and West, which are favorable for Poland. Poland is today a different country from when I took over the office of premier. This is not just due to us, of course. The government implemented the strategic line of the PZPR and the allied parties. If we had done all this over several years, we wouldn't have had cause to be ashamed either. We did it in 9 months, however, and in fact considerably less, because for several months important decisions were suspended, dependent on the Roundtable debate. I must recall that when the deliberations were in progress, we heard everyday: Let the government not do anything important, while the Roundtable discussion is going on. And rightly so: That's how it should have been, if one wanted to treat one's partners seriously. Then came the pre-election period, feverish, different form all the previous ones. I am not saying that we were inactive at that time, but it is a fact that those months held back the government's tempo of work to a certain extent. Could more have been done? More can always be done, but what I want to say that in the present economic and political situation, that more doesn't just depend on the government. It also has to be added that no government will avoid unpopular decisions and in view of this cannot count on having nothing but applause and approval.

Speaking today about the government's achievements, it was not my idea at all to end my speech with a sigh: We did so much and you don't love us. That's not the point. The point is a just and objective assessment. I know that that's often the hardest thing to obtain. I want to say in conclusion, however, that in the reformed Polish economy, we have workforces, workers and technical cadres, who have accepted the government's actions to date in the economic sphere and who see in these actions the right direction of development. From them I hear: Keep on like that. It is on them that we must count in this very

difficult period for the country: But not just on them. Above all, each one of us must count on himself, in the spirit of the principle: The more I give, the more I'll get.

Goodnight, ladies and gentlemen.

Sejm Speaker Address

LD0407221689 Warsaw PAP in English
1746 GMT 4 Jul 89

[Kozakiewicz's Address in Sejm (abridged)—PAP headline]

[Text] Warsaw, July 4—While taking the floor during the debates of the newly elected Sejm, its speaker Mikolaj Kozakiewicz said:

If, a month ago, someone told me that due to the will of the deputies of the 10th Sejm I shall take in my hand the speaker's staff, I would react with surprise and disbelief. Something important had to happen recently, various changes, good and bad, had to take place in the economy and politics, new hopes and dangers had to surface, a complete change in the composition of the Sejm had to take place so that my candidature be put forward.

The day when I come to the conclusion that the task exceeds my abilities or that the historic epoch that put me to the fore, begins to surpass me, will be my last day in office. I shall immediately address the high chamber with a proposal to convey the speaker's staff into the hands of someone stronger or more experienced. I shall do likewise if I meet internal or external obstacles in the appropriate fullfilment of my duties, which I would be unable to remove.

I want to be the speaker of the whole Sejm and not of any of its parts. I small perform this function, let me use the paraphrase of Zeromski's words, "without bowing either to powerful rulers, or to ideologies and institutions."

In my deep belief, the Sejm speaker must be an arbiter and not a competitor, he is to ensure that the play is fair, that it complies with the rules, but he himself should not fight, and in no way is he allowed to use the power vested in him to push for the realization of given solutions and blocking others. This rests in the power of the Sejm as the whole, as well as representatives of various social classes, interest groups and political orientations represented in the Sejm. It is obvious that I shall have my own opinion on every matter. This, however, will not motivate any activities taken (by me) as the Sejm in office.

Sejm Speaker News Conference

LD0407221989 Warsaw PAP in English
1812 GMT 4 Jul 89

[Text] Warsaw, July 4—Newly elected Sejm speaker Mikolaj Kozakiewicz held a press conference in the Sejm building immediately following the Sejm debates today. Most of the questions put by Polish and foreign newsmen concerned matters of the election of the president.

Replying to them, Kozakiewicz stated that he could not state anything concrete as concerns the candidate for the post. Talks and negotiations on this subject are under way and I do not know whether the sides have already reached agreement on this matter, he said.

Asked whether there was a chance that the president would be elected on Thursday, Kozakiewicz said: There is such a chance but there is no certainty. I, as Sejm speaker, am obliged to convene the National Assembly.

Assuming that a president is not elected before President Bush's visit, who would then fulfil the duties of a head of state, asked one of the newsmen.

The reply was: The Council of State ends its term with the election of the president. If we do not elect a president by that time, of course the Council of State and its president would continue to fulfil its duties.

Asked what he thought about the opinion expressed by the editor- in-chief of the "GAZETA WYBORCZA" daily which could be summarized as: Your president, our premier, Kozakiewicz recalled that the governing coalition had already forwarded the idea of creating the so-called grand coalition which would of course consist in so-governing. The possibility of a premier not associated with any political party was pondered, at least in some political circles. There was also talk of a government of experts. There was no talk of a Solidarity government on the coalition side but I think that these previous initiatives pave the way for some negotiations. This is not something which came all of the sudden and was not considered in thinking before, even by the coalition side. It is difficult for me to say what the chances are for implementation, that is not my task. I also have not heard anything about the coalition receiving such a proposal from the opposition side.

In reply to questions about the most important tasks facing the new parliament, Kozakiewicz stressed that the election of the president was the paramount matter with second place falling to economic issues.

Summary of Inaugural Session

LD0507011589 Warsaw PAP in English
2210 GMT 4 Jul 89

[Text] Warsaw, July 4—Sejm speaker-senior Zbigniew Rudnicki, a doctor in law and one of leading activists of the Democratic Party opened the inaugural session of the Sejm (lower house of parliament) Tuesday at 12.05 hrs.

The deputies elected this June took their seats shortly before noon. Starting from the left side were seated deputies of the Polish United Workers' Party [PUWP] and the United Peasants' Party. The allocation of the

seats had grown into a problem earlier on Tuesday as the citizens' parliamentary floor group moved that its members occupy seats in the centre of the hall. And so it happened at the Tuesday meeting.

The senators, the Council of State and the government with Premier Mieczyslaw Rakowski as well as members of the diplomatic corps took the seats at the gallery. The press gallery—packed full.

The presidential box adorned with the national emblem is still empty. The place formerly occupied by members of the Council of State has been now rearranged into a rostrum from which the president will be addressing the parliament.

Wojciech Jaruzelski, Lech Walesa and leaders of political parties and Christan associations entered the hall at 12:00 hrs welcomed by applause.

Sejm speaker senior Zbigniew Rudnicki delivered a speech referring to experiences of the Polish nation and to the role to be played by the 10th Sejm in making Poles' expectations come true. "The strength of this Sejm should lie in conciliating the controversial and the diverse. Their common denominator should be freedom and well-being of Poles," Rudnicki said.

The speaker-senior opened the first debate of the Sejm by tapping at the floor with his ceremonial staff.

Next, the ceremony of taking the deputies' oath was held. All the deputies present at the meeting took the oath.

The election of the Sejm speaker was the first item on the agenda. Chairman of the floor group of the United Peasants' party (UPP) Aleksander Bentkowski put forward Deputy Mikolaj Kozakiewicz as a candidate. No more candidates were proposed. Before the voting Deputy Adam Michnik (Citizens' Club) proposed that another candidate for Sejm speaker be put forward as the first election should be a real one. Deputy Bentkowski, taking the floor again, stated that the UPP club puts forward only Mikolaj Kozakiewicz as a candidate for the Sejm speaker.

434 deputies took part in the voting. Mikolaj Kozakiewicz was elected with 293 votes for, 81 against and with 60 abstentions.

Deputy Jan Lopuszanski (Citizens' Club) took the floor after Kozakiewicz to congratulate the latter on the election although he himself was against it. "I voted against prompted by my own conscience, and not following anyone's suggestion," said he. Lopuszanski expressed hope that Kozakiewicz would be the speaker for the whole Sejm and that he would not imput to any of his fellow- deputies actions different from ones prompted by the deputies' own conscience.

The Sejm speaker answered that he did not intend to make any insinuations and that what he said was not directed to that part of the house.

Next, the Sejm speaker told the gathered that a letter by the premier on resignation of the government and a report of the State Electoral commission were filed with the Sejm. He said also that two decrees of the Council of State—of June 12, 1989 on amendments to the regulations for elections to the 10th Sejm and of July 1, 1989 on amendments to the law on rights and duties of deputies were lodged with the Sejm.

The Sejm speaker proposed that the next items on the agenda should be election of deputy Sejm speakers, considering of the premier's letter, appointment of the extraordinary committee for considering the report of the State Electoral commission and the decrees of the Council of State and election of Sejm secretaries.

Kozakiewicz said also that the deputies' floor groups proposed that three deputy Sejm speakers be elected. As no one was against, the Sejm speaker acknowledged that the Sejm accepted the proposal.

On behalf of the PUWP floor group Deputy Marian Orzechowski recommended Deputy Tadeusz Fiszbach and presented his candidature.

While recommending Deputy Olga Krzyzanowska for deputy Sejm speaker in the name of the Citizen's floor group, Deputy Bronislaw Geremek stated that she was born in a family in which service to the country was paid with the ultimate price, that of blood.

On behalf of the floor group of the Democratic Party [DP] Deputy Andrzej Bondarewski recommended Deputy Teresa Katarzyna Dobielinska-Eliszewska for deputy Sejm speaker. He pointed to her achievements in social and political work, her patriotism and political maturity.

The election of deputy speakers took place in the same procedure as that of the Sejm speaker. The votes were counted.

The Sejm elected the following its deputy speakers: Teresa Dobielinska-Eliszewska (357 votes for, 85 abstentions), Deputy Tadeusz Fiszbach (397 for, 2 against, 34 abstentions) and Deputy Olga Krzyzanowska (421 for, 25 abstentions).

Deputy Tadeusz Bien (DP) next took the floor to explain a formal matter. He pointed out that under the set of regulations of the Sejm its presidium should be composed of a speaker and 4 deputy speakers. In his opinion the election of 3 deputy speakers did not correspond to the regulations. He asked whether the election of the presidium of the chamber not in full composition was done consciously.

Deputy Aleksander Bentkowski (UPP) replied that in the wake of inter-floor-group arrangements, it was accepted that only 3 deputy speakers would be elected at the first meeting of the Sejm while the matter of their final number would be resolved at a later date.

The deputies applauded Deputy Bien who expressed a hope that the results of arrangements between floor groups of this kind would be presented at the chamber's plenum in the future.

In connection with this, the Sejm speaker pointed out that before voting was started on the deputy speakers he clearly noted that only three of them would be elected. None of the deputies questioned this at that time, Kozakiewicz said.

The Sejm speaker next read out a letter from Premier Mieczyslaw Rakowski in which the latter, expressing respect for the right of the Sejm to recall the to-date government and elect a new one, in line with parliamentary tradition tendered the resignation of the Council of Ministers.

Kozakiewicz proposed to delay a review of the premier's letter till the election of the president. In line with a constitutional amendment, the motion on electing a premier is presented by the president. Only then will there be constitutional conditions for setting up a government.

Deputy Jacek Kuron (CFG) [Citizen's Floor Group] took the floor to present a statement reading that the Citizen's Floor Group follows the activities of Mieczyslaw Rakowski's government with concern, particularly of late.

"He allowed the multiplied emission of the 'empty' money which was breaking the already fragile market balance. This was probably caused by the will to make the coalition win the elections. This was followed by large-scale price hikes which were not agreed with trade unions and did not combine into any broader programme of necessary introduction of market mechanisms into the economy," Deputy Jacek Kuron said.

Kuron assessed that the government was to blame for not implementing indexation agreed at the round table debates due to its sluggishness. "Such chaotic policy triggered public unrest. Perhaps—hard to guess—this unrest was the reason of the decision on freezing prices and wages. The effect must have been the worst possible. Freezing of wages hit numerous workers' groups that have not 'wrenched out' pay rises at recent time. Freezing of prices will bring about totally empty shop shelves in the coming month. All this winds up the spring of conflicts and must give rise to deepest anxiety," added he.

Saying that he understands constitutional provisions that do not allow for a solution different from the one proposed by the Sejm speaker, the deputy expressed hope that new government would be appointed in shortest time possible and that the hitherto government would keep maximum responsibility and common sense during the final period of its mission.

Replying to the charges, Sejm Deputy and Vice-Premier Ireneusz Sekula said: "I would like to clarify certain information presented by Deputy Jacek Kuron. Firstly, the emission of money is not steered by government decisions in every detail. Whereas, it is a result of decisions taken by autonomous and self-financing enterprises. The financial system is constructed in such a way that an enterprise is allowed to increase wages on condition that it will pay an increased income tax."

"If its policy of pay increases is too active and it proceeds with increases which exceed its economic abilities—the consequences of this fact are reflected when the tax is paid. If an enterprise is unable to meet them in line with the rules of reforms, it will turn bankrupt.

"Another thing, I want to remind that during the 'round table' debate the opposition-Solidarity side urged the government to refrain from increasing the official prices until the principles of indexation are settled. This took place last March. The government accepted the wish and no prices went up since then.

"Obligations stemming from the 'round table' decisions on indexation were fully met by the government. Namely, we agreed that by June 30, an appropriate system of rules will be worked out, in this case in the rank of a law as only a law can impose duties on autonomous enterprises. Its draft was prepared by the government immediately after the conclusion of the 'round table' debate and later submitted to trade unions for consultations," said Sekula.

Consultations lasted for quite a while due to deep differences in stands of the Solidarity Trade Union and the All-Poland Alliance of Trade Unions OPZZ. They were overcomed [as received] only at the beginning of June 1989. Due to the termination of the Sejm of the 9th term, the draft of a government decree was directed to the Council of State. It includes principles of indexation agreed upon with trade unions. Recognizing the importance of this issue the Council of State decided to pass on the draft to the Sejm of the 10th term. The document is ready and will be presented to the Sejm by the premier on Wednesday with a request for its adoption. Thus the government has fulfilled its duties.

With the adoption by the Council of Ministers of the agreed upon with trade unions government draft, a possibility was created for the increase of selected official prices. Specifically, this concerned the prices of four articles. First was alcohol. Let me recall that according to a Sejm law the government is obligated to maintain the increase of prices for alcohol at least at the same rate as the growth of average wage in the socialised economy. The growth rate of wages

was higher then that of alcohol prices. That is why the government had the duty to increase those prices and made such a decision at the end of June.

Second increase of prices dealt with cigarettes. Let me remind that incomes from the sales of alcohol and cigarettes, on which there is a heavy turnover tax, are one of the vital sources of the national budget. Thus, the difficult situation linked with incomes of the national budget inclined us to raise prices which simply will enable for the budget to normally cover its expenditures, first of all in the sphere of education and health service.

The next price increase embraced gasoline, for which contractual prices are set, basing on the principle of market balance, by the petroleum products enterprise. Despite considerable imports of gasoline, this equilibrium was upset because the price was relatively low. Similar is the case with sugar, which is still bought out. During the first half of this year purchases of sugar considerably exceeded the deliveries from 1988. The price hike did not stop this phenomenon.

On the other hand the freeze of prices and wages was caused by the will to halt three destructive processes: impulsive increase of contractual prices, impulsive wage demands irrelevant to production results. The third cause was the will to create more or less stable conditions for the shaping of state's political organs, Sejm's leadership, the election of the president, forming of a new government and for preparing of the process of introducing market mechanisms to the food economy and for undertaking a number of other important decisions linked with the government's economic programme and with the adjustment programme of the international monetary fund. Those decisions should be made in a possibly peaceful and stable atmosphere, and this guided the government when it undertook these decisions. Thus I turn to the chamber to receive this information as one clearing some of the statements made by Deputy Kuron, said Ireneusz Sekula.

The speaker of the Sejm recalled that reviewed was the procedure of government's resignation and not the evaluation of its activities, which will undoubtedly be the topic of Sejm's next meetings.

Referring to the statement of Ireneusz Sekula, Deputy Aleksander Bentkowski pointed to the fact that prices of tractors and diesel fuel also increased recently what aroused concern, especially before the start of harvest season. The deputy also said the he was against the freeze of prices and wages.

Deputy Ryszard Bugaj (Citizens' Floor Group) expressed opinion that information presented by Ireneusz Sekula was unacceptable to members of his group. However he recognized that this issues should not be discussed during the present meeting.

Summing up this part of the discussion, the speaker stated that he did not see any objections against the decision to postpone the review of Premier Rakowski's letter concerning the resignation of the government till constitution conditions to appoint a new government would be formed.

Next, the chamber focused on the election of an extraordinary committee. The speaker read out a motion of floor groups concerning the appointment of such a committee with the task to review a report of the State electoral commission on the results of the elections to the Sejm and Senate and on degrees of the Council of State. 388 deputies voted for, with one vote against and six abstentions, for the election of a 29-member committee.

The Sejm also elected 14 secretaries, 389 deputies voted for, 2 against with 12 abstensions.

The Sejm ended its today's debate at 14:15, adjourning the meeting till 15:00 [1300 GMT] hours tomorrow.

KPN Pickets Sejm Building

LD0507092789 Warsaw PAP in English
2130 GMT 4 Jul 89

[Text] Warsaw, July 4—A picket was organized by followers of the Confederation for Independent Poland (KPN) in front of the Sejm building during today's inaugural debates of the Sejm of the 10th term of office.

About thirty demonstrators behaved quietly and the picketers did not arouse greater interest of passers-by. The situation was similar during the picketing of the Sejm building by this group when the inaugural meeting of the Senate was held there.

Sejm Session 5 July

LD0507144889 Warsaw PAP in English
1417 GMT 5 Jul 89

[Text] Warsaw, July 5—At 15:40 hrs. today, Sejm Speaker Mikilaj Kozakiewicz opened the debates of the Sejm. He informed the deputies that the first draft of a government resolution concerning the pay rises in 1989 in connection with the changing retail prices of goods and services was submitted to the Sejm.

MTI Reports Television Interview With Walesa

LD0307203889 Budapest MTI in English
1912 GMT 3 Jul 89

[Text] Budapest, July 3 (MTI)—"Panorama", Hungarian TV's foreign political magazine, broadcast a brief exclusive interview with Lech Walesa, head of the Solidarity trade union of Poland, on Monday. The Polish politician said:

'...If we wish to operate as a really good trade union, we must help create a good economy....we must take care

not to be involved in government and not to become a political party....we are only, and exclusively, a reform movement.

'...It was politics that led to economic failure. Now there has been a political opening, but it may happen that the political situation will be spoiled by the economy.

'...1956 saw only the beginning of self-government. In 1970, we did not achieve anything. In 1980, we only founded Solidarity. In 1989, without any violence, we got broad political chances, including the parliamentary elections. A new situation has emerged....It remains to be seen whether we can make use of it,' Mr Walesa said.

General Kiszczak Grants Interview to PAP

LD0507014889 Warsaw PAP in English
0032 GMT 5 Jul 89

["General Kiszczak Interviewed by PAP; abridged"—PAP headline]

[Text] Warsaw, July 4—Question: Speaking to the 13th Plenary Meeting of PUWP [Polish United Workers Party] Central Committee Wojciech Jaruzelski mentioned you, general, as candidate for the office of Polish president. You have not take any decision in this matter. What will be your decision like?

Answer: If such is the will of the top authorities of the Polish United Workers Party and of the PUWP deputy floor group, and if that decision is accepted by our partners within the coalition, I shall agree to be nominated. That will be my honour. Personally, however, I think that the most deserving candidate for the office of Polish president would be General Wojciech Jaruzelski.

Q: Do you not think the office you have kept for eight years may be an obstacle in your getting the president's post?

A: It is the human being who performs the function and not the function which defines the human being.

Q: You have been a professional soldier since your youngest years. Do you think this is a sufficient argument from the viewpoint of the Defence Ministry's Military Council which in its Monday statement voiced the expectation that a competent person would be chosen as commander of the Armed Forces?

A: I hope that in case I am the candidate and they elect me, the Military Council of the Defence Ministry will find my qualifications acquired during my longtime military service as sufficient for such a high office.

Q: You were a member of the Military Council for national redemption and you, like other highranking Polish Army officers, took part in the introduction of martial law. Could that operation be avoided?

A: Martial law was introduced as an emergency measure to stop the progressing decomposition of the state and economy and to protect the reform line and chances for democracy from exceptional well-known threats which I prefer not to recall any more today. Could it have been avoided? Of course, the round table conference could have started in Autumn, 1981. I regret that had not happened. But that is a closed chapter to be worked on by historians who will certainly know more and judge more objectively than people today. They will certainly better evaluate the difficult process of maturing of all the sides on their road to rapprochement and agreement.

Q: You were one of the figures behind the round table. Would the experience you gained there be of any help to you if you were doing the president's job?

A: The round table was a success of all its participants. If that attempt to reach agreement had failed, the political situation in this country would have probably been much more difficult than it is today.

Without that success of social dialogue and without that bit of work for this success which I have managed to contribute, I would never have courage to be a candidate.

Q: What is your prognosis concerning the future cooperation between the so strongly diversified political forces within the National Assembly?

A: An efficient cooperation is a necessity. The diet must work effectively, it must create, through statutes and decisions, a concrete plane and directions of policy in every small field. I believe this parliament will be busy and its work fruitful.

Q: What, in your opinion, are the limits of reforms in Poland?

A: The only limit is, I believe, the national interest, the social interest and the reason of state, which means stability and efficiency of the state. We are changing a lot and even more changes and reforms are ahead of us. This process must continue at a safe pace and rhythm, and at the possibly lowest social cost.

Today we are responsible for that together with the parliamentary opposition.

Q: Which are in your opinion the main threats and dilemmas facing Poland today, that is, facing those forces which are represented in the parliament?

A: The nearest dilemma is connected with the election of state authorities capable of efficient running the country, enjoying sufficient support and confidence proportionate to the burden of responsibility for the destinies of this country which they are going to share.

As soon as we have solved this, economic matters will move to the first place. (?These are) the most difficult (?problems of) today and they are perceived with greatest concern by majority of the nation. A great problem will then be to maintain public peace in the face of economic fears troubling the citizens.

If we succeed in coping with the economic challenges, we shall be entitled for a bit of optimism.

PAP Biography on Senate Speaker Stelmachowski

LD0507015889 Warsaw PAP in English
0045 GMT 5 Jul 89

[Text] Warsaw, July 4—Senate's speaker Andrzej Stelmachowski was born in Poznan on January 28, 1925.

From 1962 he was professor of the Wroclaw University and from 1969 of the Warsaw University. He is an outstanding expert at agricultural law.

From 1975 he was a member of the Primate's council for the construction of churches and from 1979 member of the Episcopate's Commission for the priesthood of farmers.

In August 1980, he was adviser to the inter-factory strike committee in the Gdansk shipyard and in martial law he was adviser to the Solidarity Provisional National Commission.

In 1982-1985, he was chairman of the organizing committee of the agricultural foundation and from 1987 he was chairman of the Warsaw Club of Catholic Intelligentsia.

He is adviser to the Solidarity National Executive Commission, co-author of political agreement at the "round table" talks, a member of the citizens Committee at the Solidarity chairman [as received] and president of the Commission for the countryside and agriculture at the committee.

Speaker Meets Journalists at News Conference

LD0507020389 Warsaw PAP in English
0002 GMT 5 Jul 89

[Text] Warsaw, July 4—After the first meeting of the Polish Senate, its Speaker Andrzej Stelmachowski met journalists at a press conference.

Answering a question when the National Assembly could gather, he said:

"This depends on various factors. The election of the president is such an important act that it would be unwise to convene the assembly without decisions preceding this election, as the question is not devoid of emotions. It is important to establish mutual relations between the ruling coalition and the opposition. One should not take steps that would be too hasty and could cause constitutional crisis."

Asked whether the election of the president was possible on coming Thursday, Stelmachowski answered: "Everything is possible in this country recently."

Another question was the following: How would you comment on the absence of Gen. Kiszczak from the Senate's meeting? He was present during the Sejm meeting.

Stelmachowski replied: "I think that the presence of Gen. Wojciech Jaruzelski, all the more sitting near by Lech Walesa, is a clearer symbol. After all we create only certain customs. Representatives of the government, as such, were absent from the Senate's debates."

Spokesman Denies 'Alleged' Party Divisions

LD0507020689 Warsaw PAP in English
2346 GMT 4 Jul 89

[Text] Warsaw, July 4—PUWP [Polish United Workers Party] Central Committee's spokesman Jan Bisztyga made a statement on Polish TV today.

He denied intentional speculations by the Western press about the alleged divisions in the PUWP. He stressed that the PUWP and its leadership were aware of the party's initiating and stabilizing role in the process of changes in Poland.

The PUWP can perform this function only as a party that is closely knit and strong by social support, Bisztyga stressed.

The 13th Plenum came out for maintaining the party's unity as a fundamental value guaranteeing effective continuation of economic reforms and socio-political changes. The 13th Plenum voiced support for decisions of the 10th Plenum and full unanimity with the party's political line presented by PUWP Central Committee First Secretary Wojciech Jaruzelski, the spokesman stressed.

Miodowicz on Connection With Party, Elections

LD0307192689 Warsaw PAP in English
1841 GMT 3 Jul 89

[Text] Warsaw, July 3—"If trade unionists come to the conclusion that combining the post of OPZZ chairman with other posts is not in the interest of our trade union movement, this will mean that on has to act to strengthen the shape of the movement and I will have to take such action in due, not too distant time," stated Alfred Miodowicz today at a meeting of the OPZZ leadership with the chairmen of OPZZ organizations from 210 of the biggest plants.

This was a reply to numerous statements in discussions conveying the critical opinions of a large number of trade unionists about Miodowicz's membership in the PUWP [Polish United Workers Party] Central Committee Political Bureau. In the opinion of many, this close link, also personnel, of the OPZZ and the PUWP to a large degree

bore an impact on the elections in the wake of which only 11 deputies-OPZZ trade unionists entered the Sejm of the 11th term. (There were 56 previously).

The participants in the meeting unequivocally backed the thesis of the OPZZ chairman that this should be a strictly trade union movement, strongly rooted in workplaces, free of the ambitions of a political party or social movement, trade unions whose main task should be to defend the social and economic interests of working people. These interests are threatened today by the economic policy which is winding up inflation. The decision to freeze prices and wages was received with skepticism, holding that it only postpones a big increase in prices. The trade unionists from the OPZZ are particularly concerned with the concept of introducing a market food economy, especially the proposal of introducing retail balance prices in this respect, not fully compensated for, at that. It was stressed that the OPZZ held firm on its postulate of 100 percent indexation.

Military Council Meets, Discusses Role of Army

LD0307183189 Warsaw Television Service in Polish 1730 GMT 3 Jul 89

[Text] In Warsaw an extraordinary meeting of the Military Council of the the Ministry of National Defense has taken place. The Council discussed the role and tasks of the Army in the current internal and external situation in Poland. Referring to the discussions of the first part of the 13th plenum of the Polish United Workers Party Central Committee as well as to the stance of the leading groups of the coalition, the Council expressed the expection that in the present situation the Chairman of the Committee for National Defense, the head of the Armed Forces of the Polish People's Republic, would be a person possessing the relevant authority as well as ensuring constitutional guarantees of the safe development of the state. At the same time the significance of the preservation of the international position of Poland and particularly the assurance of the inviolability of the borders within the framework of allied obligations of the states of the Warsaw Pact was emphasized.

'Illegal Organizations' Demonstrate in Warsaw

LD0307220389 Warsaw Domestic Service in Polish 2100 GMT 3 Jul 89

[Text] This afternoon [3 July] on Plac Trzech Krzyzy [Three Crosses Square] in Warsaw, as well as in nearby streets, an illegal demonstration organized by the Confederation for Independent Poland—KPN—and other illegal organizations took place. The demonstrators marched to the Sejm building and held a rally shouting anti-state, anti-communist, and anti-Soviet slogans. After the end of the meeting, a group of young people started street [word indistinct]. Law and order forces intervened. A similar demonstration was organized by KPN in Krakow under anti-state slogans. There was a demonstration for example on the Rynek Glowny main market place in front of the General Consulate of the USSR as well as at the Krakow Polish United Workers Party Committee [building].

Jaruzelski, Rakowski Meet Congressman Solarz

LD0507083989 Warsaw PAP in English 1431 GMT 4 Jul 89

[Text] Warsaw, July 4—President of the Council of State Wojciech Jaruzelski received here today visiting Democratic Party congressman of New York, member of the Foreign Affairs Commission of the House of Representatives Stephen Solarz.

During the talk, Jaruzelski and Solarz made a broad exchange of views concerning the state of relations between Poland and the United States. Present was U.S. Ambassador to Poland John R. Davis.

Later in the day, Stephen Solarz was received by Premier Mieczyslaw Rakowski. The two politicians discussed Polish-American cooperation in the context of current situation and changes under way in socio-political and economic life in Poland.

Jaruzelski, Lushev Discuss Pact Military Policy

LD3006225989 Warsaw PAP in English 2111 GMT 30 Jun 89

[Text] Warsaw, June 30—President of the Council of State, supreme commander of the Polish Armed Forces, Gen. Wojciech Jaruzelski today received Gen. Pyotr Lushev, the commander-in-chief of the United Armed Forces of states-parties to the Warsaw Treaty.

During the talk the two touched upon topics of the current activities of the United Armed Forces and the Polish Army. They stressed the positive course of restructuring [word indistinct] taking place in line with the defence doctrine in force in allied armies and constituting a practical expression of the peace policy of the states of the socialist community.

Poland's Minister of National Defence Gen. Florian Siwicki participated in the meeting. Also present were Gen. Antoni Jasinski and Gen. Victor Grishin.

Jaruzelski Cables Condolences on Gromyko's Death

LD0407124989 Warsaw PAP in English 1131 GMT 4 Jul 89

[Text] Warsaw, July 4—First secretary of the PUWP CC [Polish United Workers Party Central Committee], president of Poland's Council of State Wojciech Jaruzelski sent a cable of condolences to CPSU CC secretary general, president of USSR's Supreme Soviet Mikhail Gorbachev in connection with Andrey Gromyko's death.

Geremek on Work of Solidarity Parliamentary Club

AU0307111889 Warsaw TRYBUNA LUDU in Polish 30 Jun 89 p 4

[Report by PAP correspondent Tomasz Arleth: "What Will the Citizens Parliamentary Club Do?"]

[Text] Last week's meeting of Sejm deputies and senators elected from the list of the "Solidarity" Citizens Committee created a joint Citizens Parliamentary Club. I asked Professor Bronislaw Geremek, chairman of the Club, about its future work and most urgent tasks, and asked what he thought of the possibilities of cooperation between this club and other parliamentary clubs.

The Citizens Parliamentary Club, B. Geremek said, consists of 260 Sejm deputies and senators, of whom only a few have any parliamentary experience. Therefore this is a gathering of people who believe that the opposition's participation in state structures is not the only novelty; who recognize that their new role as society's representatives is also a novelty.

Internally, the "Solidarity" list was pluralistic, which means that the people on the list represented various political and ideological options, said B. Geremek. It is very important that this pluralistic nature of the citizens club is expressed in the rules of conduct it adopts and in the decisions it takes. That would mean that club discipline would only be in force in matters of fundamental importance, whereas in all other matters we will employ the old parliamentary principle of an "encounter" of different stances.

The problem right now is to define a new economic policy. We consider the national economy to be a priority issue. The latest months have caused economic stagnation, growing inflation, and government passiveness. This makes the tasks facing the new parliament and the new government which this parliament is due to elect even greater.

As a club, we want to take part in working out an economic policy which is aimed against the crises and toward the reforms. We want to create control institutions that support the implementation of the reforms, in accordance with the prerogatives of parliament.

The club has its own work schedule, in which it sets out its priorities. In the political sphere, the work includes repairing breaches of "roundtable" decisions; organization of and access to the mass media, especially television; a consolidation of the impartiality of the courts; and the organization of local self-governing bodies.

In the economic sphere, it will be necessary to establish priorities in economic policy, stop senseless investment projects, and gain support for the policy of reforms.

Because of such tasks, our club is faced with certain problems with organization, B. Geremek said. At our next meeting, we will adopt regulations for ourselves, and we will probably also appoint a main board. We will examine how deputies and senators should perform their functions, and we will establish an essential backup for them to help them in their work, such as teams of experts. We will also have to guarantee our presence in Sejm and Senate commissions, and consequently the possibilities for individuals to belong to these commissions.

Our club is in the unique position of not having any political party behind it. That calls for a certain change in existing regulations because so far, parliamentary clubs could only be formed if the corresponding political party already existed.

Our club has emerged in accordance with the supremacy of the "Solidarity" trade union, and it retains its politically pluralistic nature. In our work, we will try to refer to the citizens cells who nominated us in the elections and conducted the election campaign. We believe that this club of ours—not a party club, but a pluralistic one—will cooperate with the party clubs. We see no obstacles to businesslike cooperation with the clubs of the party coalition.

However, we do realize that there are going to be divisions among us in some issues. For example, a sizable contingent of our rural members, representing private farmers, will present their own program, which may find support among some coalition circles. We do not view this as a threat. On the contrary, we think this is how good politics is formulated, during competition like this. Such a procedure will encourage a development of public life and political culture.

Geremek on Solidarity's Government Involvement

AU0307121889 Warsaw GAZETA WYBORCZA in Polish 22 Jun 89 p 1

[Interview with "Solidarity's" Professor Bronislaw Geremek by BBC Polish Section reporter Eugeniusz Smolar: "First Reforms, Then A Government"—London, date not given]

[Text] [Smolar] It is being said in Warsaw that the possibility of "Solidarity" forming a government is being considered.

[Geremek] "Solidarity" is ready to assume responsibility for forming a government, and would even be ready to do so. However, this requires a very democratic environment. We have won the elections, and this is a time of justified triumph. Nevertheless, this should be followed not by the formation of a government, but by a transformation of the political system, public and social life, and the economy.

[Smolar] Does that not clash with the mood of optimism and even radicalism brought about by such an unheard-of election result?

[Geremek] Yes, but systems are not changed by elections or political accords. Systems are changed either by revolution, or by gradual and steady evolution. We have placed ourselves in favor of the second path, and right now our chief problem is to really make this evolution irreversible. It is necessary to rescue the economy most of all, for that means rescuing our country. However, there is no question of being able to preserve the standard of living and economy without breaking up the nomenklatura.

[Smolar] In other words, you prefer control over the present authorities activity to direct involvement in government work?

[Geremek] I think the "Solidarity" team that is in the Sejm and Senate will be in a position to really influence the formulation of policies.

[Smolar] We are talking in London. You have already held several important meetings, for example with Prime Minister Thatcher. What was the British authorities initial reaction to your presentation of the situation in Poland?

[Geremek] I am encountering unusually warm feelings for "Solidarity" from all the political forces in Great Britain. The election results and new political situation in Poland have made people more interested in our country. Economic issues are, of course, of fundamental importance.

[Smolar] I understand you intend to present your British interlocutors with a so-called proposal of economic aid for Poland.

[Geremek] "Solidarity" possesses working documents which have not yet been approved by our union's cells and professional groups. These documents map out a certain path. The point is economic aid for the reforms, not credits for the government, because if one supports the reforms, it means one does not support the old structures of administration and management.

Ceausescu Condolence Message on Gromyko's Death
AU0307181789 Bucharest AGERPRES in English 1747 GMT 3 Jul 89

["Condolatory Telegram"—AGERPRES headline]

[Text] Bucharest, AGERPRES, 03/07/1989—Nicolae Ceausescu, general secretary of the RCP, president of Romania, sent a telegram to Mikhail Gorbachev, general secretary of the Central Committee of the CPSU, chairman of the Supreme Soviet of the USSR, expressing, on behalf of the Central Committee of the Romanian Communist Party and of the State Council of the Socialist Republic of Romania, as well as on his own behalf, deep condolences in connection with the death of Andrey Andreyevich Gromyko, an outstanding militant of the Soviet Communist Party and of the Soviet state.

Ceausescu Chairs PEC Meeting on Jobs for Youth
AU0407183689 Bucharest AGERPRES in English 1730 GMT 4 Jul 89

[Text] Bucharest, AGERPRES 4/7/1989—A report on a draft decree concerning the assignment to production of the 1989 class of graduates of the learning institutions was discussed in the 4 July meeting of the Executive Political Committee held under the chairmanship of RCP [Romanian Communist Party] General Secretary Nicolae Ceausescu.

The data analysed show that this year, there are 27,365 higher-learning graduates, 1992,578 graduates of the second-stage lyceums and 177,620 graduates of vocational schools.

In the debates on that document the Executive Political Committee underscored that the graduates' assignments accorded with the tasks set in that field by the Thirteenth Congress and the National Conference of the RCP, as well as by the science and education congress regarding the ensurance of the work force for the fulfilment of the targets for the country's socioeconomic development in the current stage and in the future. Special attention was paid to the need to meet the requirements for staff of all the branches of the national economy, especially of the mining, oil, power and farming sectors. The decree emphasises the obligation of the economic ministries and of the other central and local bodies to ensure the graduates' appointment to their work-places according to specialties and to take measures so that probation periods may be performed in accordance with the law.

Highlighting the importance of the measures for the assignment of all the 1989 class of graduates and the ensurance of jobs according to their training and to the learning institution they had attended, the Executive Political Committee showed that they tellingly illustrated the superiority and humanism of the socialist system, the permanent care of the RCP and the Romanian State to give all the youths the possibility to get trained, to work in any field, to fully assert their creative power and skills, to actively contribute to the country's general progress. The importance of those measures is even more apparent in the conditions when, in many countries of the world, developed countries included, a large part of the graduates add to the number of the unemployed and have no prospects of a job, of a stable, dignified life.

PEC Proposal on Ceausescu's Reelection Noted
AU3006154889 Bucharest SCINTEIA in Romanian 28 Jun 89 p 1

["Proposal of the Political Executive Committee of the Romanian Communist Party Central Committee on Comrade Nicolae Ceausescu's Reelection to the Supreme Position of Romanian Communist Party Secretary General at the 14th Party Congress—Presented by Comrade Manea Manescu" at Central Committee plenum in Bucharest on 27 June]

[Text] Esteemed comrades: Empowered by the Political Executive Committee, I have the great honor of submitting the proposal to the Central Committee plenum for endorsement that the 14th congress reelect the ardent patriot and prominent revolutionary, the ingenious founder of socialist Romania, the great hero of the nation, and prominent figure of the present-day world and of the international communist and workers movement, our much beloved and esteemed leader, Comrade Nicolae Ceausescu, to the supreme position of Romanian Communist Party [RCP] secretary general. (loud applause, ovation and cheers; chants of "Ceausescu-RCP!")

At this time of great importance for the present and future of our country, we are fully convinced that this historic proposal is generated by the love, respect, and gratitude of the Central Committee members, of all Communists, the workers class, peasantry, intelligentsia, and all people to Comrade Nicolae Ceausescu, illustrious thinker and militant politician, who throughout the 60 years of constant heroic and revolutionary activity has dedicated his life every single day to the just cause of social and national liberation, the triumph of socialism, and to the cause of ensuring the Romanian people's independence and happiness, and cooperation and peace throughout the world. (loud, prolonged applause)

Esteemed comrades, our national history has put down in its pages the most excellent and gigantic revolutionary activity carried out by Comrade Nicolae Ceausescu at the helm of the party and country to ensure Socialist Romania's elevation and prosperity for the benefit and happiness of the entire nation, an activity that is organically and indestructibly linked to the very life and struggle of our heroic Communist Party.

Our whole people are aware and value the decisive role played and being played by Comrade Nicolae Ceausescu in formulating and implementing the great goals of building the socialist society on Romanian soil, in the bright era opened up by the great congress of 1965, in corroborating the most viable ways and means, and solutions to solve the complex problems raised in each stage by the construction of the new system, and in our country's firm progress on the path to socialism and communism.

In the glorious Nicolae Ceausescu Era, the RCP's leading role—the vital core of our society—increased constantly, workers democracy affirmed itself vigorously in all areas of the political, economic, and social activity, socialist ownership strengthened, the forces of production developed throughout the country, the perfecting of the relations of production, scientific progress, education, and culture was upgraded, and the nation's well-being was constantly improved. We are firmly convinced that, headed by Comrade Nicolae Ceausescu, our eminent and clear-sighted, enlightened, good, and just leader, Romania will never deviate from the revolutionary path of socialist and communist construction, that the RCP will unflinchingly apply the general principles of scientific socialism and the extensive experience in the tremendous process of building the new system to the specific conditions in our country. (prolonged applause)

Under Comrade Nicolae Ceausescu's wise leadership, the documents of fundamental significance, which we are discussing in our plenum—the theses for the party's supreme forum and the draft program of directives of the 14th RCP Congress regarding the socioeconomic development in the 1991-95 5-Year Plan, and the long-term guidelines up to the year 2000-2010, which illustrate his fruitful, political, scientific, and revolutionary thinking, and his all-embracing theoretical and practical vision, will constitute a mobilizing program of work for all our people and the lasting foundation for the constant socioeconomic development and firm progress of our homeland toward the highest pinnacles of progress and civilization.

This political act of great importance of Comrade Nicolae Ceausescu's reelection to the supreme position of RCP secretary general upon the will of the entire party and nation is a sure guarantee for the continuation of the process of building the comprehensively developed socialist society—with the people and for the people.

Much esteemed Comrade Nicolae Ceausescu, you are the pride, dignity, and revolutionary torch of the party and our people, who are following you with boundless trust and devotion in the great constructive work that will guarantee Romania a dignified place among the nations in the world, and you, beloved leader, broad recognition as hero of peace, prominent figure of the international political activity, and enthusiastic revolutionary militant for a better and more just world on our planet. (loud applause. Long chants of "Ceausescu—RCP!")

The Political Executive Committee proposes that the Central Committee plenum adopt a resolution on Comrade Nicolae Ceausescu's reelection to the high position of RCP secretary general at the 14th RCP Congress. (cheers, ovations. Chants of "Ceausescu reelected at the 14th congress!")

Much beloved and esteemed Comrade Nicolae Ceausescu, much esteemed Comrade Elena Ceausescu, please allow me to express, at this solemn time, the warmest feelings of our people and to wish you from the bottom of our hearts a long life for the glory of the RCP and the greatness of our dear, free, independent, and sovereign homeland, the Socialist Republic of Romania. (cheers, ovations. Prolonged applause. Chants of "Ceausescu—RCP!")

Dascalescu Plan Fulfillment Report Published

AU0107140389 Bucharest SCINTEIA in Romanian 28 Jun 89 p 2

["Comrade Constantin Dascalescu's Speech on the Fulfillment of the Plan for the First 6 Months of This Year and on Measures To Fulfill the Plan for the Second Half and the Entire Year of 1989" at the Central Committee plenum in Bucharest, 27 June]

[Text] Much esteemed and beloved Comrade Secretary General Nicolae Ceausescu, esteemed comrades: The current Central Committee plenum is taking place on the eve of the 24th anniversary of the Ninth RCP Congress—an event of the greatest importance for our country's present history, which ushered in a great era of impressive achievements, the foundation of which is the devoted work carried out by all our people on the basis of the ingenious strategy formulated by our much beloved leader and excellent founder of socialist and communist construction in Romania, Comrade Nicolae Ceausescu.

I want to begin by expressing, on this occasion too, profound esteem and appreciation for the tireless activity carried out by Comrade Nicolae Ceausescu in scientifically formulating and corroborating our country's development programs, for mobilizing the creative energy of all our people and channeling them in directions that ensure our transition to the second and higher stage of building the comprehensively developed socialist society in our country, and the implementation of the party program.

With the deepest respect, I want to emphasize the decisive contribution made by the party secretary general to the comprehensive activity of formulating the Program-Directive and the Theses for the 14th congress, which, proceeding from the current stage of Romanian

society, from the objective requirements of future development, and from the consistent application of the principles of scientific socialism to the specific conditions in our homeland, establish the basic guidelines and direction of Romania's socioeconomic development in the coming 20 years. This is why our whole people harbor the greatest gratitude and consideration toward the party secretary general, eminent communist militant endowed with a broad dialectical vision on the political, economic, and social processes, thinker of unparalleled vigor and profundity, and great political and scientific strategist, who has been designated by history to take the destiny of the Romanian nation to the heights of socialist and communist civilization.

It is a duty of honor to whole-heartedly support the proposal that the 14th Congress reelect at the helm of the Romanian Communist Party [RCP] the fearless fighter for building the most just and humane system on Romanian soil, who, in a relatively short historic period, has been able to bring—with the people and for the people—glory and dignity to our homeland, greatness and glory to the party, the leading figure of the International Communist and Workers Movement, our much esteemed and beloved leader, Comrade Nicolae Ceausescu.

The documents submitted for discussion to the Central Committee plenum vigorously emphasize the successes achieved by our people under the leadership of the party and its secretary general in implementing the 13th RCP Congress decisions, and open up new and bright prospects for our country's development in the coming years.

The fulfillment by the end of the current 5-year plan of the strategic target of Romania's transition to the stage of a medium developed socialist country illustrates the correctness of our party's policy, which, on the basis of the line initiated by the Ninth RCP Congress, made an essential option for upgrading the development and modernization process of the entire productive potential as a lasting basis for constant socioeconomic progress and for ensuring our national independence and sovereignty. Bearing in mind the main socioeconomic indicators, the Program-Directive and the Theses for the 14th RCP Congress emphasize, first and foremost, the historical importance of the fact that the Romanian socialist society is characterized by a many-sided economic, political, scientific, and cultural development. At the same time, starting from the new requirements of our long-term development, our party is focusing its efforts on continuing the policy of increasing the forces of production, intensifying the development of the national economy, implementing the provisions of the organizational and modernization programs, and the policy of achieving maximum efficiency in all areas.

The implementation of the goals stipulated by the Program-Directive on our homeland's long-term development is indissolubly linked to ensuring a solid base in the current decisive year for the successful fulfillment of the current 5-year plan.

The results achieved in the first half year in our country's socioeconomic development are given concrete shape in a more than 6 percent increase in industrial production compared with the same time last year. Significant increases are registered in a number of basic products such as: rolled goods, ferrous alloys, oil extraction and energy equipment, technological installations for chemistry, excavators, ball bearings, engines, automation equipment and electrical appliances, industrial electronics equipment, ethylene, propylene, pulp fiber, furniture, textiles, ready-made clothes, and so forth. In the first 6 months more than 150 important production units will be put into operation, including 14 energy groups in coal-fueled hydropower and thermopower plants, and a number of basic units in the extractive industry, in the iron and steel industry, in machine-building, chemistry and petrochemistry, in the timber industry, and in the light and food industries.

However, in making a critical analysis in the spirit of the great requirements of our country's current stage of development, I have to point out that there are still sectors where the activity was not always up to available conditions, technical equipment, and the training of manpower. Owing to shortfalls in the activity of some coordinating councils, branches, and collective managerial bodies and central departments, we are concluding the first half year with lags as concerns some important products. In the case of crude oil, the planned output was not achieved because of the unsatisfactory rate of extraction and delays in the work on some derricks; the same applies to coal because of arrears in uncovering operations and opening new work areas. Although a number of measures were worked out to better ensure electricity for the economy, the results achieved so far are not satisfactory.

At the same time, because of arrears in the introduction of new technologies and in modernizing available ones, the legal consumption of fuel and energy has been exceeded and this has led to difficulties in the normal progress of the economic activity.

Certain shortfalls were also obvious in the processing industry, especially in metallurgy and chemistry, machine-building, and electrical engineering, all sectors in which the collective managerial bodies did not work with full responsibility to make complete use of production units and manpower, to increase the technical level and especially improve product quality. Results that fall short of the plan provisions and the endorsed programs are also noted in the production earmarked for export, in charging customs duties, and in cashing the equivalent value for goods exported because some coordination councils in branches and responsible people in ministries and central departments in charge of contracts failed to make sure that orders were appropriately met and products were efficiently delivered to our foreign partners.

To implement the plan provisions for the second half year of 1989, the government will take most energetic measures to fulfill the item-specified production, especially the one earmarked for export, to appropriately

organize the production process and work, to put new installations into operation and achieve planned parameters on schedule, to continue to reduce specific consumption, and to vigorously increase economic efficiency in all areas.

We will pay special attention to increasing coal production, especially pit coal output, by taking firm action to intensively utilize equipment, strengthen order and discipline, and speed up the putting into operation of the new extraction units.

In the area of crude oil production, the managements of the Ministry of Petroleum, oil trusts, and derricks have to increase their concern with making maximum use of all derricks and increasing drilling speeds.

In the energy industry, we will pay particular attention to making sure that power plants are operating according to plan, that the schedule for repair and modernization work on energy groups is strictly observed, and that all necessary conditions are ensured so that the new installations can be put into operation. We will closely pursue the ensurance of a balanced electrical and thermal power consumption, a broader utilization of unconventional energy sources, the economizing of resources, and the strict observance of planned consumption in each unit.

The coordination council in metallurgy and machine-building will work to focus all efforts on the fulfillment of the planned daily output of pig iron and steel, on increasing the profitability of utilizing semifabricated products, on diversifying product variety, and expanding the manufacture of better quality brands and highly processible products.

In the area of machine-building, determined measures will be taken to ensure equipment and installations earmarked for export and the observance of the investment program, to substantially improve quality, speed up the finalization of unfinished products, and eliminate surplus stocks of finished products.

In the area of chemistry, the coordinating council of that branch will take firm measures to make maximum use of installations and ensure their fully secure operation, to increase the processing level of raw materials, and accelerate the assimilation of materials to better meet the requirements of the other branches of the national economy.

In agriculture, we will take special measures to achieve, this year, the largest grain yields ever known to our history; to achieve this goal, the Ministry of Agriculture, the executive committees of the people's councils, and the joint agroindustrial councils will work with great responsibility to mobilize all forces to ensure that the summer campaign operations are performed on schedule and of good quality, that all contracted amounts of grain are harvested, stored, and delivered to the state stocks, that planned livestock and outputs in the animal breeding sector are achieved, and that all agricultural activities are based on the principles of profitability and efficiency.

In the area of investments, we will energetically apply the measures worked out to make sure that the new production units are put into operation on schedule. We will work more determinedly to ensure the proper organization of work on construction sites, to replace outdated technologies, and to ensure technological equipment closely correlated with the progress of construction work.

Upon your recommendation, much esteemed Comrade Nicolae Ceausescu, we will pursue with great exactingness the application of firm measures, in both planning and in the various stages of a given project, designed to ensure a considerable reduction in the consumption of cement, reinforced cement, pipes, cables, and a most efficient management and utilization of all materials on construction sites.

The government and its executive bureau will focus on ensuring the commendable fulfillment of export tasks; we will work with responsibility so that the collective managerial bodies in ministries and central departments will make sure that each enterprise prepares for and gives priority to the manufacture of products earmarked for export, that problems regarding technical-material supplies and the smooth delivery of products earmarked for export are effectively solved, that we will constantly adjust to the foreign market, and that we will achieve advantageous prices in accordance with those in the world market.

At the same time, we will intensify our activity of charging customs duties for our product stocks and of cashing all dues for the goods we have exported.

Special attention will be paid to the proper operation of the economic-financial mechanism by firmly applying throughout the economy the system of norms and regulations in force, by perfecting the organizational framework in accordance with our technical potential, and by improving the standard of training of the working personnel.

We will concern ourselves with greater determination with eliminating the tendency toward waste and ensuring the strict observance of consumption norms, and with the necessary conditions to promote the best of solutions to make better use of material and energy resources, including recoverable and reusable resources, and to strictly limit imports, so that each leu is well and efficiently spent in keeping with plan provisions.

We will work so that a highly economical spirit will prevail in the administration of the property of our whole people and of the national wealth, so that each product and activity is lucrative and so that each enterprise will achieve its planned profits. We will increase

our concerns with enhancing the responsibility of each working person toward the proper progress of the production process and toward the commendable implementation of plan provisions.

We will eliminate signs of red-tape in the work of the collective managerial bodies and we will see to it that all major problems of the 1989 production will be discussed firmly and solved effectively.

We will take special measures to properly prepare conditions for the 1990 plan by beginning now to conclude contracts, especially contracts for products earmarked for export, to ensure blueprints for the modernization of existing production units and for new investment projects, and to work out for each enterprise, central department, and ministry programs aimed at more vigorously increasing labor productivity, substantially reducing production costs, and increasing the efficiency of all economic activities.

The government and its executive bureau pledge at this plenum and before you, much beloved and esteemed Comrade Nicolae Ceausescu, that we will work to achieve a more dynamic work style and a more effective control, so that all collective managerial bodies—beginning with ministries and down to the basic units—will carry out their activity closely linked to and strictly in accordance with plan provisions and programs in force, and with the party decisions and the country's laws.

Please permit me to express complete adherence to the documents submitted for approval to the plenum firmly convinced that under the leadership of the RCP and its secretary general, Comrade Nicolae Ceausescu, all working people in our homeland will work with enthusiasm to welcome the 45th anniversary of the antifascist and anti-imperialist revolution for social and national liberation with new and important successes and to commendably fulfill the plan for the current year, which is decisive for implementing the goal of the current 5-year plan.

Thus we will set a secure foundation for implementing the great goals stipulated in the Program-Directive and the Theses of the 14th RCP Congress, for the more vigorous affirmation of the communist principles of work and life, for raising our homeland to the stage of a comprehensively developed socialist country—basic goals of the bright future of our whole nation, which bears the seal of the creative genius of the party secretary general, enthusiastic patriot and prominent political figure of the broadest international recognition, our much esteemed and beloved leader, Comrade Nicolae Ceausescu.

Stefan Andrei Meets With U.S. Businessman

AU3006201989 Bucharest AGERPRES in English 1900 GMT 30 Jun 89

[Text] Bucharest AGERPRES 30/6/1989—On June 30 Romanian Deputy Prime Minister Stefan Andrei received John Simone, executive vice-president of the Manufacturers Hannover Trust Company of the USA.

During the talks the sides highlighted the fine collaboration established between the Bucharest branch of the company and financial and banking institutions in Romania and the favourable conditions created by the Romanian State for the company to carry out its activity. Also expressed was the wish that the collaboration between Manufacturers Hannover Trust and Romanian relevant units should continue and grow.

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On June 30 the Manufacturers Hannover Trust organized a meeting with the Romanian press, in Bucharest, on the occasion of 15 years since the opening of their Bucharest branch. In statements made on the occasion, members in the company management underscored the proper conditions created by the Romanian State for the branch to carry out its activity and expressed the wish to further amplify the collaboration with the Romanian financial and banking institutions.

Dobrescu Meets Visiting GDR Trade Delegation

AU0407184089 Bucharest AGERPRES in English 1735 GMT 4 Jul 89

[Text] Bucharest, AGERPRES 4/7/1989—On 4 July Bucharest was the venue of a meeting between a delegation of the General Trade Union Confederation of Romania (GTUCR) headed by Miu Dobrescu, member of the Executive Political Committee of the CC [Central Committee] of the RCP [Romanian Communist Party], chairman of the GTUCR Central Council, and a delegation of the Confederation of Free German Trade Unions headed by Harry Tisch, member of the Political Bureau of the CC of the SED [Socialist Unity Party of Germany], chairman of the Confederation Central Council, now on a visit of exchange of experience in Romania.

On the occasion, the delegations informed each other about questions regarding socialist construction in the two countries, as well as about the activity carried on by the trade unions in Romania and the GDR for the implementation of the resolutions of the Thirteenth RCP Congress and of the Eleventh SED Congress.

Opinions were also exchanged on the international situation and the World Trade Union Movement.

At the same time, analysis was made of the relations between the GTUCR and the Confederation of Free German Trade Unions and the wish was expressed to expand the collaboration between the two trade unions.

Meeting To Strengthen Friendship With Hungary

AU0407193789 Bucharest AGERPRES in English 1820 GMT 4 Jul 89

["In the Spirit of Rapprochement, Friendship and Fine Collaboration Between the Romanian and Hungarian Peoples—A Meeting Initiated by the Romanian Friendship Group in Alba Iulia"—AGERPRES headline]

[Text] Bucharest, AGERPRES 4/7/1989—On July 4, Alba Iulia was the venue of a meeting of the Romanian

Friendship Group in Alba Iulia, which was attended by workers, cooperative farmers and intellectuals from that county and from other localities of the country.

After the appeal of the Friendship Circle in Szarszo to the Hungarian and Romanian society, brought out in the Hungarian publication "ELET ES IRODALOM" and printed by a number of publications in Romania, had been read working people of Romanian and other nationalities took the floor.

At the end of the meeting the text of a letter sent by the Friendship Circle in Szarszo, in the Hungarian People's Republic, to the Romanian Friendship Group in Alba Iulia, which the participants endorsed, was read.

The letter reads inter alia: The Romanian Friendship Group in Alba Iulia learned of your appeal to the Hungarian and Romanian peoples, to the patriots in the two countries.

We are appreciative of this initiative, which urges to closer fraternal ties and to the development of many-sided relations of friendship between Romania and Hungary. We share wholly your concern over the growing deterioration of the links between our two countries and peoples, as well as the belief that by learning the lessons of history we must not ignore the fine ties established over years of neighbouring coexistence in this part of Europe, we must not betray our peoples' hopes, the aspirations and ideals they made when they definitively opted for socialism, for the building of a society set on social justice and equity.

It is the duty of the Romanian and Hungarian peoples to firmly promote friendship and esteem, confidence and mutual respect, all while looking for further possibilities of knowledge and rapprochement, of removing suspicion, of developing lasting relations of economic collaboration and durable ties in the field of culture, science and education, in all sectors of activity in the interest of the two countries.

We welcome with satisfaction and are highly appreciative of the appeal and constructive stance of the members of the Friendship Circle in Szarszo in Hungary, who show historic responsibility for the Hungarian people and who, in these hard moments, just as in the years of terror during the Second World War, made it their profession of faith to fight against alien, antidemocratic interest, firmly promoting national independence, freedom, peace and democracy, the peoples' harmonious coexistence.

The members of the Romanian Friendship Group in Alba Iulia, consistent with the just, humanist policy promoted by the Romanian Communist Party and with the ideas, theses and unquestionable assets of scientific socialism will militate for the building in this land of socialism—a society of justice and equity—aware that in this way they contribute to the enhancement and strengthening of the prestige of socialism, as the sole social system providing for true equality of rights and democratic freedoms to all citizens.

The letter further shows: Socialist construction with the people and for the people as a requirement for the full assertion of the creative initiative of the masses of people, of revolutionary worker democracy, of the superiority of the new-type society has ensured—more particularly after the Ninth RCP Congress—the translation into fact of full equality of all working people in our homeland, irrespective of nationality, creating a highly democratic framework for the participation in the act of socioeconomic administration of all the people working and living here for centuries on end, who jointly fought against exploitation, oppression and foreign domination.

In the extensive process of work and creation, the friendship and esteem of the working people who are inspired by the lofty goal of taking our homeland, Socialist Romania, on to ever higher summits of progress and civilization have been cemented forever.

Inspired by the loftiest humanist feelings of militant solidarity for the safeguarding of the assets of socialism we share the valuable ideas contained in your appeal and we are determined to work firmly for the fulfilment, in the nearest future, of our aspirations after the strengthening of the spirit of friendship and collaboration which should underlie our relations.

With a view to strengthening the links between the Romanian Friendship Group in Alba Iulia and the Friendship Circle in Szarszo we suggest that in future we should have direct contacts for a better knowledge and cooperation to overcome difficulties, that we should take concerted action to continuously develop and strengthen friendship and collaboration between our two countries and peoples.

Decree Advances Pay Increase by One Month

AU0307154289 Bucharest AGERPRES in English 1108 GMT 3 Jul 89

["Pay Rise Ends One Month Earlier"—AGERPRES headline]

[Text] Bucharest, AGERPRES 3/7/1989—Under a State Council decree, the end of the working people's pay rise is brought forward by one month, so that as of 1 July all working people have their pay raised. The personnel who were originally planned to have their pay raised on 1 August will get 413.5 million lei in extra income this month.

Almost a year ago a phased-out raise in the pay of all classes of working people was started when Romania was still making great efforts to repay its foreign debt, which it managed to do without slowing-down the economic growth rates or cutting down the consumption funds.

To the Romanian Communist Party, the economic growth of the country was all along not an aim in itself, but a way, the only way to improve the quality of life. By way of example, we can say that since 1980 working people have had their pay raised twice, which added to others in previous years. As a result, the remuneration fund has increased almost six times since 1965, raising the average remuneration more than three times, and the lowest remuneration—more than 3.3 times.

Begun on 1 August 1988, this five-year plan's raise in pays was a far-reaching social action. In a first phase, from 1 August to 1 October last year, the monthly pay in the 1,500-2,000 lei bracket was raised to 2,000-2,400 lei, bringing to 2,000 lei the average lowest pay per economy, up from 1,500, a roughly 33 percent rise, the highest in the years of socialist construction in Romania.

The second phase, from 1 November until the end of last year, monthly pays in the 2,001-2,250 lei bracket were raised to 2,401- 2,650, a roughly 20 percent increase that benefited about 1.9 million of working people.

The total number of people who had their pay raised by the end of last year exceeded 4.4 million, or nearly 60 percent of the total working people. Higher pays brought 5.6 million lei in extra incomes last year, to which another 1.7 billion lei were added in December representing half of the working people's quota of profit from their contributions to the production and profit-making fund. Extra incomes were also made by working people from their social shares of state and cooperative economic units, and those incomes are rising. Low-income making people—young for the most part who have been working for a couple of years only in production or elsewhere—were the chief beneficiaries of the first two pay raise phases.

On 1 March this year the third phase began which ended on 1 July—it raised pays upwards of 2,250 lei a month and benefited more than 3.4 million. Overall, nearly 25 billion lei more will be made in income by working people this year as a result of the pays rise, and next year when all people will benefit by a year-round higher pay, the figure will be 29 billion lei. The pay rise brings to 3,300 lei the average remuneration per economy, up from 2,980 lei before the pay rise started.

The three-phase pay rise left unaffected both hour rents and the rights to child benefits. Furthermore, the monthly parents' contributions to creches and kindergartens until 1 August 1989 were unchanged.

All working people make higher incomes not only as a result of their higher base pay, but also of the higher amounts they are entitled to get from the variable part of their remuneration.

The priority given to raising more the lowest remunerations has brought the lowest-to-highest remuneration ratio to 1:4.7, from 1:5.35.

As part of the higher-income making measures during this five-year period, state social security for length of service and old age of up to 3,000 a month, pensions for incapacitation, and war invalidity pensions were raised in two phases. An extra 2.5 billion lei a year from the state budget is paid to pensioners.

The new pay rises have taken effect in the conditions in which consumer goods prices, all domestic prices in general have been at the planned level, with some of them being even below that level.

Pancevski Addresses Officers on Veterans Day

AU0407123289 Zagreb Domestic Service in Serbo-Croatian 1011 GMT 4 Jul 89

[Speech by Milan Pancevski, president of the League of Communists of Yugoslavia, addressing the reserve officers gathering at the main celebration of the 4 July, Veterans Day, in Zagreb Sports Hall—live]

[Text] Comrades, we have gathered at this magnificent gathering of veterans, reserve officers, youth, and working people and citizens from all over our country to mark one of the most important dates in the history of our peoples and nationalities.

Today, deeply expressing our brotherhood and unity in the workers' heroic city of Zagreb, and throughout our country at similar gatherings held to mark Veterans Day, we are emphatically confirming our strong orientation and resolve for the further strengthening of the foundations of our socialist self-managing federal Yugoslavia, the community of equal peoples and nationalities, born and created in the magnificent epic struggle that was started precisely on this day. [applause]

The uniform orientations of the broadest strata of our peoples and nationalities and the working people of Yugoslavia are the biggest guarantee that the Yugoslav socialist revolution will remain in its essence the same as it was when it was led by Tito, that it will remain firm and open in its basic orientations and aims to progress and humanism, that it will be firm in the defense of the freedom and equality of our peoples and nationalities, and irreconcilable toward all those who want to imperil our revolutionary achievements and divert its courses. [applause]

The fact that these traditional meetings of reserve officers are connected with the Veterans' Day symbolizes not only your unbreakable link with the liberation struggle but also your resolve and readiness to, together with the force of youth and the broadest masses, fight for our better future, for a brighter future based on glorious traditions of the people's liberation war and the socialist revolution. [applause]

Comrades, 48 years have past since the historic day when on 4 July 1941 the Communist Party of Yugoslavia led by Tito made a decision to wage an armed struggle against the fascist occupier. [applause]

At that time, and subsequently, the Yugoslav people have never yielded to conquerers, but have bravely and decisively stood up and fought for their social and national freedom and a better life, something that has been an expression of the liberational spirit of the people on Yugoslav soil for centuries. [applause]

At the same this was also a struggle for a new democratic federal Yugoslavia, for the true brotherhood and unity of all our peoples and nationalities, and for their full equality. Destroying the monarchist and bourgeois system and creating the foundation for a new social order was an integral part of this. This logically received full prominence at the second session of AVNOJ [Antifascist Council of the National Liberation of Yugoslavia].

In this struggle, the Communist Party of Yugoslavia remained true to its workers class starting points and aims and to the platforms for the principled resolution of the national issue of all Yugoslav peoples and nationalities. [applause]

All this was the basic motive and moving force for our national liberation struggle to acquire an extraordinarily wide and mass base and to acquire from the very beginning a revolutionary, democratic, and socialist essence with which our national liberation war was simultaneously expressed as a true socialist revolution. The July uprising in Yugoslavia was the first uprising in occupied Europe: A time when fascist forces had won their greatest victories on all battlegrounds and penetrated deep into the territory of the Soviet Union. Not even almost half a million well-armed occupying soldiers, domestic servants of the occupiers, and traitors were enough to prevent the uprising from flaring and to crush the revolutionary revolt of the national masses throughout Yugoslavia. [applause]

Thus, the fascist occupying forces were seriously shaken and instead of being a quisling base, Yugoslavia became a battleground, fateful not only for our peoples but for Europe and the whole battle for a new and better world, a world of freedom and progress. [applause]

The new socialist Yugoslavia was created through 4 years of bloodletting, torment, and suffering in the heroic armed struggle, therefore, neither we nor history should forget the huge casualties, the 1.7 million patriots who gave their lives for freedom, a better life, brotherhood and unity, and equality. [applause]

Comrades, the triumphal conclusion of the armed and revolutionary epic struggle of our peoples and nationalities was in fact the beginning of changes and the opening up of constantly new and the so far unfamiliar horizons of the development of socialism and democratic and civilized trends in general. Therefore, our road has been exceptionally dynamic and stormy with the great successes and star-studded moments of history. However, this is a revolution which is still continuing with many inevitable contradictions, wanderings, failures, and even mistakes. In brief, these 40 or so years of our development have marked a huge leap from us being an extremely underdeveloped and wrecked country to being what we are now with today's great material, production, spiritual, and creative potentials and a far better life for our working people and citizens. [applause]

However, this development and the realistic socioeconomic and political relations on which it is based, have objectively exhausted their moving and creative motives

and forces. The consequence of all this is the present total economic and social crisis whose resolution essentially means and must lead to the conceptualization and initiation of a new developmental stage in Yugoslav self-managing and democratic socialism which will constantly provide new and even greater material and spiritual values and the wealth of every person and society as a whole. [applause]

Therefore, no general denial and devaluation of our revolution and the past road and development will help us to extricate ourselves from the crisis. Only through a critical analysis of our past experience, wanderings, mistakes, and weaknesses can we find real answers to today's serious problems and for the future directions of our entire development.

For a long time, the leading political forces of our society have not been aware of, or have not been prepared to face, the brutal reality that a crisis has been existing for some 10 years and that its basic roots and hotbeds lie in some basic solutions in the economic and political systems, such as the consensus economy, the spread of the domination of statism over self-management, the closing of the economies within narrow local and republican borders, and on this basis the creation of various centers of alienated economic and political power either in the form of polycentric statism or in the fragmentation of self-management and economic flows.

Because of all this, we are now facing extremely disturbed economic problems, high inflation, major social stratification and tensions, a stifling and devaluation of self-management, great inefficiency in the institutions of the political system and especially of the law-governed state at all the levels, a major deterioration of interethnic relations, and a great upsurge of all aspects of nationalism, especially the Albanian nationalism and separatism and the counterrevolution in Kosovo (?and elsewhere).

Because of such a depth of the crisis and because of our great direct historical responsibility for the fate of our country and socialism in our country, the League of Communists of Yugoslavia and all other progressive forces of society must engage themselves even more energetically and without compromise in clearly defining and consistently implementing our three reforms.

Through these reforms, we at the same time decide what our socialism will be in its development stage. We wish to create a system in which efficient and dynamic economy based on maximum productivity of labor will dominate. Work, creativity, knowledge, and ability should become the paramount social value. We wish to ensure approximately equal conditions of labor and of earning one's income, and the implementation of a social policy as an essential factor of any dynamic material and economic development and of the humane nature of our society, and the like.

With our reforms, we do not abandon the concept of social property. But this foundation of self-managing social relations must be made economically efficient and capable of confronting competition in the world and domestic markets. The reforms mean a strengthening of the independence of the economic factors, they mean not their atomized, closed, and autarkic behavior, but their expression as active and interdependent parts of the economic whole of our country and as a factor that, on the basis of economic motivation, creates comprehensive self-managing integration in the Yugoslav area.

At the same time we want a faster inclusion in the modern currents of scientific and technological development, linking with European and world civilization currents while making our contribution to the overall progress of mankind.

With our social reform, we do not abandon our socialist road, but we abandon everything that acts as a negative fellow-traveler on our socialist self-managing road that pulls us backward. Therefore, we must reaffirm and strengthen socialist self-management, and energetically sweep off bureaucratic power and wilfullness and usurpation of the interests of the workers class, and the domination of the alienated centers of power over the flows of economic and social development. [applause]

We can achieve this by ensuring that the institutions of the political system are efficient and rational overall and the law-governed state is strengthened. Likewise, the basic direction and content of the changes in social and political relations should be their further and even deeper democratization. In this respect, democracy must be comprehended and realized even more as a basic principle and essential relationship in our political system, in its socialist, self-managing, and workers class nature, and in its general humanistic and civilizational content.

All this must be, above all, expressed in the role, freedom, and the rights of man, citizen, producer, and self-manager, and as an antithesis to everything that means alienation, exploitation, and manipulation of people, making partial and egotistic interests absolute, petty-bourgeois primitivism and conservativism, comprehending democracy as an anarchy, and the like.

In brief, socialism, self-management, and democracy must create opportunities for a continuous search for and a purposeful and progressive use of all the creative potentials of every individual and society for a better, happier, and more humane life, and for conquering new space for freedoms and progress.

Comrades, all these and other orientations concerning the content of the reform of the economic and political system, which is to say, the ideopolitical basis for drafting a new constitution, must form the foundations for

the preparations of the 14th extraordinary congress of the League of Communists of Yugoslavia and the documents that will be adopted by this congress.

We, as the League of Communists, will be able to confirm ourselves as the vanguard and cohesive force of Yugoslav society to the same extent that the congress clearly, profoundly, and creatively confirms our basic orientations and directions with regard to finding a way out of the crisis quickly. This is justifiably expected by the workers class and all citizens. Therefore, I would like to particularly stress that the attitudes of the LC members, and especially its forums and leading people toward the realization of the congress' tasks basically reflects their actual attitudes toward reforms, toward the demand to arrive at a synthesis and the optimal and most progressive solutions by creatively using differences, and thus toward the main orientations on which Yugoslavia's future and fate will depend.

Therefore, each one of us must bear his share of the responsibility for preparing and convening the congress. In this, the League of Communists of Yugoslavia must not allow any manipulations, pressure, and confusion in connection with this question. Therefore, we must condemn most energetically the prolongation of various confrontations which in my firm view are not an expression of the orientations of the broadest strata of Communists and working people and citizens, but of narrow circles and even individuals in various leaderships. [applause]

Nobody has given us the right or the mandate to create with this behavior various divisions and even sow mistrust among the people. [applause] Instead of this, by expressing the true wishes, demands, and interests of all peoples and nationalities, the workers class, the youth, and veterans we must do our utmost to come to the congress as united as possible concerning the most essential questions that are in the interest of the country as a whole. [applause]

Otherwise, our people, our workers class, and history will not forgive any of us, because the new development stage in Yugoslav socialism and reforms cannot be conceptualized and realized without the unity of Yugoslav Communists and without a united, stable, strong, and independent Yugoslavia as a community of fraternal and equal peoples and nationalities. [applause]

Let us therefore work in harmony and do our best to improve our common life, constantly strengthen brotherhood, unity, and equality, to open up ourselves more and to link and come closer to each other, and to respect and achieve a considerably greater degree of mutual interdependence and tolerance in a democratic atmosphere. Let us do more to intermingle cultures, and for people to get to know each other, and the freedom loving and democratic traditions of all our people. [applause]

In brief, we must open ourselves more and oppose internal barriers imposed by the bureaucratic-dogmatic and nationalist spirit which is the main cause of numerous divisions in our society. [applause]

We can protect, widen and strengthen the paths of freedom, equality, brotherhood and unity only through a conscious creative action and through the creation of a climate that will link our peoples and nationalities, and not divide and bring them into conflict. [applause]

This is our obligation toward the veterans, the youth, toward the old and the new generations, toward the working people and citizens of all our peoples and nationalities. We must live in unity and harmony. We have no other road. It is the message of history: Let us protect and defend the integrity and sovereignty of the SFRY against all those who would like to endanger it. [applause]

When the federal system of the country, the unity and equality of the peoples and nationalities, the role of the workers class and the socialist self-managing democratic essence of our society, the concept of all-people's defense and the Yugoslav People's Army, as well as the nonaligned and independent foreign policy, are concerned, there can be no negotiation with anybody. [applause]

There can be no compromise with all those who devalue the most sacred achievements of the revolution or who openly undermine the constitutional order of the country. [applause]

In this respect we must proceed from the fact that Yugoslavia as a federal and equal socialist community is the sole condition for the existence, originality, and equality of each of our peoples and nationalities, or the framework for their material, political, cultural, and overall spiritual expression and prosperity.

Socialist, self-managing, and federal Yugoslavia, based on AVNOJ principles and Tito's vision, is the framework and the factor of the realization of the strivings through centuries and of the struggle of each of our peoples for their sovereignty, security, and national affirmation. [applause]

Only in unity and togetherness—this is confirmed by our historical experience—can we be strong and undefeatable, each one separately and all together. [applause]

We are stating from this place that we will not allow the AVNOJ foundations of our community to be brought into question, that nobody has the right [applause, Pancevski repeats himself] that nobody has the right to reshape Yugoslavia in any way or to set it up on a different social basis than the one fought for in the war and the revolution. [applause]

Therefore the struggle of all the progressive forces of society and their relationship toward the growing occurrences of nationalism and separatism, especially within one's own nation, must be one of the basic criteria for assessing the true attitude toward the ideology and policy of the League of Communists of Yugoslavia on interethnic relations. Without stable interethnic relations that are founded on AVNOJ principles and without further deepening and building them, the frightening avalanche of nationalism chauvinism, separatism, and all aspects of confrontation in the Yugoslav scene objectively speaking jeopardize the integrity of our country, the existence of each people and nationality, their joint life, and the implementation of the current and long-term interests of the workers class of Yugoslavia. [applause]

For this reason we must be very united and energetic in combating and eliminating the specific situations and occurrences, and their hotbeds, in any community and especially in overcoming the Kosovo situation, for the aims of the counterrevolution in this province are directed toward destroying the integrity of Yugoslavia. [applause]

Comrades, every jubilee recalls the past, the glorious days of the revolution, and their achievements, but at the same time it always also constitutes an encouragement for the future, for winning a new scope for freedom and humanism, and for everything that is even better and more humane. The revolutionary steps and decisions of the historical victory at the preceding stages gain in greatness and value only if they are confirmed in real life of new generations and if, proceeding from their essence, we open up prospects for an even more beautiful future.

We are proud of the revolutionary deeds of the preceding generations, but it is up to us, the present and new younger generation, to do even more and better. Only through a strong socialist vision of the development of our united social community and through new work victories, we will go forward. For this, we possess strength, knowledge, and opportunities. [applause]

Long live brotherhood and unity of all the Yugoslav peoples and nationalities! [applause]
Long live Socialist Federal Republic of Yugoslavia! [applause]

Tupurkovski Holds Talks With French Socialists

AU0407125289 Belgrade Domestic Service in Serbo-Croatian 1200 GMT 4 Jul 89

[Text] Dr Vasil Tupurkovski, member of the Presidium of the Central Committee of the League of Communists of Yugoslavia, has held talks with a delegation from the Socialist Party of France. On this occasion he said among other things: The protection of the rights of Serbian and Montenegrin minorities in Kosovo is not only a Serbian and Yugoslav obligation but a general civilizational one. Therefore, today when the world is initiating the question of the protection of the Albanian nationality in Yugoslavia, we have been surprised that this same world does not talk about the violation of the rights of minorities in Kosovo. These are not Albanians but Serbs and Montenegrins whose suffering has for a long time been unjustly neglected in Yugoslavia as well.

Discusses Albanian Threat

LD0407212789 Belgrade TANJUG in English 1722 GMT 4 Jul 89

[Text] [Placename indistinct], July 4 (TANJUG)—Yugoslavia does not see the settlement of the problems in Kosovo as lying in the use of force and other restrictive measures, but neither will it [word indistinct] that its territorial and political integrity be threatened, as Albanian separatists have attempted to do so, a high-level Yugoslav party official said on Tuesday.

Albanian separatists in the Autonomous Province of Kosovo, which is part of the Republic of Serbia, resorted to force in their attempt to threaten the country's integrity last March, Vasil Tupurkovski, member of the League of Communists of Yugoslavia Central Committee Presidium, said at a meeting with a delegation of the French Socialist Party, headed by Party Secretary for External Relations Gerard Colomb.

The March clashes between Albanian separatists and police left 25 people dead (22 demonstrators, two policemen and one bystander) and another 228 injured (102 demonstrators and 126 policemen).

Noting that the questions of the protection of and alleged aggression against the Albanian minority in Yugoslaiva have been raised in the world, Tupurkovski said Yugoslavia was surprised that the world has not raised the question of the violation of the rights of Serbs and Montengrins in Kosovo.

Since 1981, over 30,000 Serbs and Montenegrins have left the province of Kosovo under physical and psychological pressure from Albanbian separatists.

On the changes in the Constitution of Serbia which have given the (?republic) control over (?its) entire territory, including the Autonomous Provinces of Kosovo and Vojvodina, Tupurkovski stressed that the changes do not jeopardize the autonomy and position of the provinces in the federation.

We are surprised at the lack of readiness in the world to accept Yugoslavia's arguements on this issue and at attempts to internationalize it and even expose Yugoslavia to political and other pressures, he said.

Muzevic Discusses Interethnic Relations, Problems

AU3006170589 Belgrade BORBA in Serbo-Croatian 29 Jun 89 p 5

[TANJUG report: "Fears and Blockages"]

[Text] Ljubljana, 27 Jun—At the upcoming session of the Central Committee of the League of Communists [LC] of Yugoslavia all parts of the LC should clearly state their attitude to interethnic relations and what they think about themselves, their people, and the nationalities in Yugoslavia. Thus, problems would be identified at least to the extent that should be said that these problems should not intensify, said Boris Muzevic, member of the Presidium of the Central Committee of the League of Communists of Yugoslavia [LCY], in an interview for the "Voice of Ljubljana" radio station.

The normal operation of the basic socioeconomic relationship, socialist self-management, and socialist democracy lies at the very heart of interethnic relations in Yugoslavia. Since solutions in this political context—from economic questions to questions of the market and political pluralism—are questions of unity, if this is the fundamental issue, then I see no reason for there to be so much talk about fears and blockages which emerge from these differences, said Muzevic.

Speaking about the issue of Kosovo, Muzevic said that there are several matters connected with Kosovo which will be a constant and long-term burden on the whole of Yugoslavia. Kosovo should be seen in this way. There are no daily solutions, that is to say overnight solutions, regardless of their form, for Kosovo, which does not mean, however, that one should delay with the problems that can be solved "overnight."

Dealing with the role of the Presidium of the Central Committee of the LCY regarding the special measures and isolations, Muzevic said that this is a question for the state organs which had adopted the measures on the basis of assessments. The Presidium of the Central Committee of the LCY did not discuss these questions, nor did it make a decision on them, or participate in the decisionmaking, which, according to Muzevic, is usual. In reply to the claim by the journalists that one could read in parts of the media that Stipe Suvar's signature was to be found on some decrees connected with political differentiation in Kosovo, Muzevic said that the Presidium had constantly discussed these matters and had specific programs which were prepared together with comrades in the LC in Serbia and in Kosovo. The truth is, however, that at its last session the Central Committee of the LC of Yugoslavia adopted instructions on "shortened procedures in considering the suitability of LC members in the organization" and this bore the signature of Stipe Suvar as president of the Presidium of the Central Committee of the LC of Yugoslavia.

As the representative of Slovenia and a member of the Presidium of the Central Committee of the Lc of Yugoslavia, Boris Muzevic reacted to the reply of the Serbian leadership, or rather, of the Presidency to the Slovene proposal on necessary dialogue with "quite a high level of bitterness." However, he was at the same time not surprised because he had been faced with such levels of our understanding and misunderstanding for 4 years.

The people have come onto the scene in Montenegro in a similar way to in Serbia and even finally in Slovenia, said Muzevic in reply to the question or claim that the documents for the Montenegrin congress contained stands that are very similar to Slovene ones.

As regards the the 14th LCY Congress, renovation, cadre problems, and the actual preparations, Muzevic said that cadre issues will be dealt with in the same way as at every party congress. However, whoever relies solely on cadre issues will not achieve much. The cadre issue is only important to the extent that we have decided in advance that these matters must be changed and that the rules are established. Other questions are more important, like the further democratization of the LCY and the whole of society, political pluralism, and whether the LC of Yugoslavia will amend its program or prepare a new one.

In reply to the question of whether it could happen that the congress would be incomplete, that is to say that some delegations, like the one from the Slovene LC, would be absent, Muzevic said that these warnings are most clear from Slovenia but they are also coming from other communities. This should be a clear warning that we should not play around at the congress and put anybody into the situation where they feel, or even in fact are, a threatened minority.

Stojanovic Receives Tunisian Front Official

AU2906160889 Belgrade POLITIKA in Serbo-Croatian 27 Jun 89 p 4

[Unattributed report]

[Text] Dr Stanislav Stojanovic, executive secretary of the Presidium of the Central Committee of the League of Communists of Yugoslavia, held talks with Taeb Sahbani [name as transliterated], member of the Central Committee of the Democratic Front of Tunisia, who is visiting our country at the invitation of the Socialist Alliance of the Working People of Yugoslavia and the League of Communists of Yugoslavia. They exchanged views on the further development of multilateral cooperation between the Mediterranean progressive parties and movements.

Iran's Velayati To Arrive for Working Visit

AU0507082089 Belgrade Domestic Service in Serbo-Croatian 0800 GMT 5 Jul 89

[Text] 'Ali Akbar Velayati, Iranian foreign affairs minister, is to arrive in our country today for a working visit. He will discuss the further development of bilateral

relations, international issues, and particularly the preparations for and the content of the forthcoming summit of nonaligned countries in Belgrade with Budimir Loncar, federal minister for foreign affairs. It is expected that the visitor will also be received by Janez Drnovsek, president of the SFRY Presidency.

Attacks on Yugoslav People's Army Reported

LD0107145989 Belgrade TANJUG Domestic Service in Serbo-Croatian 1621 GMT 30 Jun 89

[Text] Belgrade, 30 Jun (TANJUG)—According to figures issued by the organs of internal affairs, 341 attacks on the Yugoslav Peoples' Army were reported in the country during the last year and the first 5 months of this year. There were 64 attacks in Bosnia-Hercegovina, 14 in Montengro, 23 in Croatia, 12 in Macedonia, 78 in Slovenia, 31 in Serbia proper, 17 in Vojvodina, and 102 in Kosovo, Vice Admiral Stane Brovet, deputy federal secretary for national defense, said at today's session of the Federal Chamber of the Yugoslav Assembly.

The steepest increase in the number of attacks on the Army was registered in Kosovo while the hostile activities within the Yugoslav Peoples' Army are primarily manifested from positions of Albanian nationalism.

FEC Issues Report, Criticizes Attacks on Army

AU0407192389 Belgrade POLITIKA in Serbo-Croatian 30 Jun 89 p 9

[Dragan Lazarevic and Milenko Pesic report: "Attacks on the Yugoslav People's Army Are Dangerous for the Country's Future"]

[Excerpts] At its session held yesterday, the Coordination Council for All People's Defense and Social-Self Protection of the Federal Conference of the Socialist Alliances of the Working People of Yugoslavia discussed a report of the Federal Executive Council [FEC] on the "essence, causes, and assessments of the attacks on the concept of the all people's defense and the Yugoslav People's Army [YPA]" which was produced in view of the impudent attacks on our system of all people's defense and the YPA that persisted for some time during 1987 and 1988. The introductory speech was made by Aleksandar Mitrovic, vice president of the FEC:

"It is a fact that the attacks on the YPA were the fiercest and most noticeable in Slovenia and that they were launched by the circles connected with MLADINA and KATEDRA, by the newspapers of alternative movements, by youth organizations, social-democratic and bourgeois-liberal groups, and the committees for the so-called struggle for freedom and human rights, and that they were also launched in some other parts of the country such as Kosovo," Mitrovic stressed.

"These attacks, whether intended by their exponents or not, have become a weapon in the hands of the enemies of this country, the enemies of our integrity, our federal organization, and our democratic and self-managing orientation in the development of society. They have become the basis of a special war of small counterintelligence services against our country," Mitrovic said, stressing that one must not forget that our concept of all people's defense is general in its nature, that it is fully democratic, liberational, and defensive, and that it protects man and his freedoms and protects democracy and our socialist system.

Activity of Anti-Communist Forces

"The social, economic, and political crisis which we are experiencing now cannot and must not be the reason for attacks on the YPA. It is good thing that they are diminishing and that they are not receiving support of the wider public. Our official policy must firmly reject these attacks," Mitrovic said.

On 13 March of this year, the FEC Commission for Defense Preparations and Social Self-Protection concluded that the attacks on the YPA represent an integral part of the activities of the anti-communist forces which want to overthrow Socialist Federal Yugoslavia. Out of all of the attacks launched so far, the most dangerous were the calls for setting up republican armies, the attacks on the system of leading and commanding the armed forces, and the attacks on the financing of the YPA and its personnel.

These attacks, Aleksandar Mitrovic said, especially those that date back to last year and the year before last, mainly occurred in some parts of Slovenia, which does not necessarily mean that they did not occur in other parts of the country. However, the purpose of the FEC's report is not to discredit, belittle, or understate the attitudes of the Slovene people, political institutions, and leadership concerning the concept of All People's Defense and Social Self-Protection and the defense preparations in the Socialist Republic of Slovenia, but to establish the essence and ultimate aims of the attacks on the YPA and all people's defense.

FEC's Report Is Not an Attack on Slovenia

Conveying the views of the Assembly of the Presidium of the Republican Conference of the Socialist Alliance of the Working People of Slovenia, the Slovene Executive Council, and the Council for All People's Defense and Social Self-Protection, Boris Bavdek said that the report did not represent a sound basis for a discussion because it simplifies the situation in Slovenia. He said that the media has created a false picture of the situation in Slovenia and the Slovene attitudes toward the YPA in particular. At the end, Bavdek said that the FEC's report is causing new divisions and that it should therefore not be adopted. [passage omitted]

Eduard Cencic said that the facts were presented but that they did not explain the ideological messages and specify problems. The YPA is criticized for some of its policies

but people forget that these policies are the policies of the SFRY, that they belong to all peoples of Yugoslavia. We must react to these attacks on the YPA, on the achievements of the revolution, and on Tito in all parts of the country.

Milos Petrovic said that comrades in Slovenia are insufficiently critical of the events in their republic, and that they are too sensitive about the report that is currently being discussed. Comrades in Slovenia should not understand this report as an attack on Slovenia and the Slovenes, and they should find a way of halting these attacks. As far as MLADINA's call for intervention in Yugoslavia is concerned, it warrants a reaction.

Zoran Pantic said that the FEC's report was well argued and correctly written, and that it should be discussed by the Federal Chamber of the SFRY Assembly, because the attacks on the YPA are dangerous for the future of the country. We should insist that all sociopolitical organizations and communities oppose these attacks with all available means.

Ahmet Turko said that one must distinguish between attacks and constructive criticism. He was of the opinion that everything that places a question mark over the constitutional foundations constitutes an attack. A constructive discussion about internal relations in society is something else and cannot be regarded as an attack. It is absurd to attack the constitutionally defined status of the YPA, and this should be separated from the demands expressed through the system's institutions, such as demands for civilian instead of army service and cuts in the budget. Marijan Kompara said that one cannot accept stereotypes according to which the YPA threatens Slovenia and the Slovenes attack the YPA. A discussion about this would be irrational. Kompara also wondered about the serious attacks that destroy our system and the reputation of the YPA. We have always explicitly been against crude attacks but cannot accept the FEC's report because we do not agree with the philosophy according to which all different opinions are regarded as hostile. As far as the demand for the use of Slovene language in the Army is concerned, this demand referred to the reserve corps. It is not true that we are demanding that the commanders of the YPA units in Slovenia be Slovene, but they should be familiar with the language.

As regards MLADINA's call for intervention in Yugoslavia, this was the ironical and absurd side of this magazine, because this call was sent to 30 embassies of countries such as Uganda and Zambia, and our council did not think that this article warranted reaction. [passage omitted]

Army Paper Makes Pristina-Beijing Comparisons

AU0307183089 Belgrade NARODNA ARMIJA in Serbo-Croatian 29 Jun 89 p 2

[Lj. Stojadinovic commentary: "Inciting Other People's Fear"]

[Text] The events in China which disturbed the world for 2 months and got a lot of public attention, are already a little outside the needs of daily reporting. It is now time for analyses and commentaries, which are being used to try to sensibly explain the truly unusual, difficult question of what was and is happening in China. The distant and somewhat recent past has not given us full and not even approximate answers to attempts to discover the numerous unknown elements which abound in that far-away country. However, one thing is known: The Chinese will resolve their traumas, tragedies, and problems themselves and what is happening in their great country is more painful for them than for the rest of the world, which forgets with global hypocrisy similar or more terrible troubles on the other side of the ideological barricades.

Virtually overnight a media-political idea appeared in tendentious and malicious circles in our region which transferred the "China syndrome" onto Yugoslav territory. For the start of such a bleak vision, the neologism of a "bloody international" was used, according to which Army intervention was the inevitable consequence of an insoluble situation in Chinese socialism and therefore in every other kind of socialism. Citing many examples which, despite their particularities, allegedly had a similar foundation, press analysts (these people most frequently) linked the brutality demonstrated by the soldiers exclusively with socialist countries, deliberately forgetting some current examples of radical militaristic fascistization of part of the "free" world. However, this is not the most important thing of all. A different question is essential: What caused there to be at this moment open speculation about the role of our armed forces in "saving socialism," and why is it necessary and who finds it necessary to summon up the otherwise unsuitable analogy of Tiananmen? Does this involve only some kind of expression of anxiety in the face of the crisis and its denouement or a perfidious, unfounded accusation with a clear meaning and aim? No one of course should be deprived of the opportunity of judging the world and his own country but to do both one needs sufficient, worthwhile arguments.

The question that is most frequently asked in the press and in the ponderings of experts on purely daily events is: How far away is China? The conclusion emerges from this ideological-geographical question after so-so attempts at putting together a quick analysis that China is not far away. This neo-Columbusian thought which contains the repugnant message that the Yugoslav People's Army [YPA] threatens the people with the danger of tanks, is not and cannot of course be corroborated by any arguments from our army's past nor do any current examples of this kind exist. Comparing Pristina with Beijing is inappropriate for political, geographic, military, patriotic, and civilizational reasons. Perhaps we do not even know what really happened in Beijing, but we know that no one there demanded that the capital city of China be separated from the heart of the country. However, we should know what happened in Kosovo.

If people exist who, despite everything, do not know or do not want to know, it should be recalled that even in

the most rigorous clash with chauvinists in Kosovo, no Army units were present no matter how numerous and aggressive the chauvinists were. On what basis can it then be concluded that the units of the YPA could clash with its own people, either there or in some other place? Between ideological quandary and political confusion can a speculative hypothesis be drawn about the anti-Army essence of every socialist country? On which basis do some over-exposed holders of doctorate titles who appear by the day put forward the axiomatic thesis about the inevitable bureaucratic essence of the YPA? It seems that the "fashionability" of such a thesis is an irresistible challenge for part of the Yugoslav press. This is a question of the following relationship between the alleged dogma and the self-proclaimed democracy: The YPA supports a democratic solution to all social conflicts, a modern law-governed state, and an effective market economy. That the democratic nature of the Army is not just declarative is demonstrated by some recent events and troubles on our political scene. in which the YPA had an objectively considerably greater feeling for democratic trends than some supposed lovers of freedom who attribute it with dogmatic obstinacy.

This undoubtedly involves a typical ideological attack whose aim is primarily political: the creation in the YPA of a feeling of guilt for what other armies have done, the development of the belief among the public that every task that the Army carries out can be reduced to the "anti-people" category. In other words, the YPA is reduced to having the role of a tame and passive observer of the destruction of the country in order for it to thus show its "democratic nature." To judge by everything, these sudden thinkers are not afraid for the people, who have never been afraid of their own Army because the people know that there will be no reason in the future for fear either.

Those who are afraid of the Army probably know the best why they are afraid of it.

Government Drops Plan for Tax To Finance Army

LD2706195889 Belgrade TANJUG Domestic Service in Serbo-Croatian 1100 GMT 27 Jun 89

[Text] Belgrade, 27 Jun (TANJUG)—Offical government representatives today informed members of the SFRY Assembly's Finance Committee, in the continuation of the agreement-reaching process by delegations of the federal units on rebalancing the federal treasury amounting to 72 billion dinars, that they are dropping the proposal to introduce a special turnover tax to finance the Army. The lack of funds in the federal budget, according to the latest Federal Executive Council [FEC] proposal, would be "provided for" by changes to the law on the taxation of products and services.

Branko Zekan, federal secretary for finance, said that the changes to this regulation would secure a total of 4.21 billion dinars, 2,507 of which would go to the federal budget, and 1.703 billion dinars to the treasuries of the republics and provinces. With some further concessions the republics and provinces would have the strain taken off their obligations toward the federal budget amounting to about 3.2 billion dinars. In this way the FEC has met the demands for a reduction in the contribution of the federal units to the Federal Treasury, and at the same time secured a guarantee of the regular payment of funds for the Yugoslav People's Army.

The changes to this year's budget envisage that money amounting to 0.53 percent of the estimated social product, reduced by 11.5 percent, be set aside for financing the Army. This sum will be significantly less than the amount to which the Army is legally entitled on the basis of existing laws, but the cutbacks have come about in keeping with the demands for savings to be made under all budget headings. In accordance with the same principle, additional funds for the insufficiently developed republics and for Kosovo are also reduced.

In the next few sessions, delegates in the Chamber of Republics and Provinces' Finance Committee will continue their coordination of stances on the latest FEC proposals. The adoption of the rebalanced budget is envisaged for the session of the Chamber of Republics and Provinces of the Yugoslav Assembly convened for 30 June.

Bank Governor Vlatkovic Views Debt Situation

AU0307175689 Belgrade BORBA in Serbo-Croatian 30 Jun 89 p 1

[B.M. report: "The Repaying of Debts Is Quicker Than Incurring Them"]

[Text] Belgrade, 29 Jun—Dusan Vlatkovic, governor of the Yugoslav National Bank, said at today's press conference that convertible currency reserves are growing and currently amount to $3.46 billion. The foreign currency market has for a quite a long time operated under conditions in which there has been greater supply than demand, because of which the National Bank of Yugoslavia has bought up $198 million. After a fall at the beginning of this year, foreign currency remittances have increased in the past 2 months by $150 million. The foreign currency liquidity of the country is at a high level and an increased inflow has contributed to a reduction in the short-term debt of about $300 million.

The picture of our foreign liabilities to other countries was completed by the answer given by Branko Dragas, vice governor of the Yugoslav National Bank, to a question on Yugoslavia's indebtedness. He said that on the last day of March this year the country had a total debt of $19.1 billion, of which $18 billion is owed in convertible currency and $1 billion in clearing currency. There are medium-term and long-term loans of $17 billion and short-term loans of about $790 million.

In the last 3 years, stressed Branko Dragas, we have paid back more of our loans than we have had to raise. The repayment of foreign loans overtook new loans in this period by $2.7 billion. In the first 4 months of 1989, the loans repaid exceeded the loans raised by about $400 million. There are chances of our foreign indebtedness being reduced by around $1 billion this year. As regards our debts from other countries, the servicing of the debts is going slowly and is hampered by the fact that our debtors are mainly developing countries which are in great difficulties at the moment.

Assembly Adopts Fiscal Policy Amendments, Laws

Changes to Law on Banks Passed

LD3006231789 Belgrade TANJUG Domestic Service in Serbo-Croatian 0929 GMT 30 Jun 89

[Text] Be!grade, 30 Jun (TANJUG)—Today the Federal Chamber of the SFRY Assembly adopted via emergency procedures the changes and amendments to the law on banks and other financial institutions. The changes and amendments enable the completion of the banking system within the framework of the reform changes based on market relations.

The changes envisage, among other things, a possibility for banks to be formed as shareholding societies. They also enable the establishment of mixed banks. The shareholding deposit is raised from 6 billion dinars to 20 billion dinars.

Further on Changes to Bank Law

LD0107043589 Belgrade TANJUG in English 2207 GMT 30 Jun 89

[Text] Belgrade, June 30 (TANJUG)—The amendments to the Law on Enterprises, adopted by the Yugoslav parliament by summary procedure on Friday, give Yugoslav enterprises greater independence and the possibility to organize themselves as shareholding companies.

The Law on Enterprises was adopted last year as the first in a series of reform documents aimed at accelerating and facilitating the country's move towards market economy. All provisions protecting the system of the so-called economic of agreement, which was the reason for the Yugoslav economy's failure, have been abolished.

The new law will free enterprises of the tutorship of the state and the interference of political factors ranging from the municipality to the Federation.

Differences in the position of enterprises depending on the type of ownership have also been eliminated so that enterprises in the social sector are no longer "privileged" in advance.

The worker's self-management rights are now determined in a different way. Workers thus manage the enterprise but do not make all the business-related decisions. Workers employed by a private business participate in the management on the basis of their own work and in accordance with the collective agreement.

According to the parliament's decision, the time period for the transformation of former work organizations into enterprises has been shortened from two years to six months.

Credit-Monetary Policy Adopted

LD0107215289 Belgrade TANJUG in English 1731 GMT 1 Jul 89

[Text] Belgrade, July 1 (TANJUG)—The Assembly of Yugoslavia today adopted a decision on the credit-monetary policy for this year, as it did also amendments to the customs law and conclusions in connection with the federal government's economic policy measures.

The new changes in the credit-monetary policy and the stricter control of the money flow to be introduced now are (?bringing) down the monthly inflation rate from the current 29 percent to 18 percent in December. The crediting of firms which have not passed the test on the market and the issue of uncovered money is also to be prevented.

The federal government, which took office in March, inherited an annual inflation rate of 90 percent which has now hit 600 percent, as officially reported.

The National Bank of Yugoslavia will in the future credit the banks which give credits for exports of goods and services, for the agriculture and for imports from the clearing-payments countries, so that Yugoslavia's credit balance with those countries would be reduced.

The changes introduced in the customs law envisage special benefits for firms which record significant increases in their foreign earnings. Imports are also to be liberalized, that is, 70 percent of the imports are to be exempted from customs tax or to enjoy reduced tariffs.

In order to enjoy the specified benefits, firms will have to record 50 percent higher exports than imports of raw materials and semi-manufactures.

The federal legislature has instructed the federal government to submit to it it by July a report on the state of the agriculture and the effects of the measures taken, especially regarding the grain crop and purchases. A comprehensive programme of the agriculture policy is to be submitted to the Assembly of Yugoslavia by September.

The assembly again today failed to approve a proposed increase in the federal budget for this year because the Republic of Macedonia withheld its approval. The matter will again be taken up at the next session, on July 6.

Sarajevo Transport, Water, Flour Prices Increase
LD0107223689 Belgrade TANJUG Domestic Service in Serbo-Croatian 0705 GMT 1 Jul 89

[Summary] Sarajevo, 1 Jul (TANJUG)—Beginning today, prices on Sarajevo city public transportation are increased by 14.5 percent. The price of water sewerage, and water treatment service in the city is increased by 115 percent. The price of all types of flour is being increased by an average of 49 percent.

Justice Minister on Abolishing Death Sentence
LD0207123389 Belgrade TANJUG in English 1128 GMT 2 Jul 89

[Text] Belgrade, July 2 (TANJUG)—Conditions are ripe in Yugoslavia for the abolishment of the death sentence, Federal Secretary for Justice Dr Vlado Kambovski said in an interview to TANJUG. Kambovski said that the abolishment of the death sentence is of fundamental importance for the penal-legal and political system as a whole, bcause the very existence of this sentence is an important indicator of the humanistic and democratic contents of the system.

Constitutional changes are necessary for radical changes in the Yugoslav penal code, Kambovski said. He said that these solutions must be in the function of the independence and autonomy of the courts and the providing of the autonomous position of citizens and their freedoms and rights.

The Yugoslav justice minister expressed his conviction that the country also needs changes in the law on criminal procedures and that it is necessary to re-examine all the possibilities for strengthening legal guarantees for the position of the accused.

Kambovski also said that the controversial article 133 of the penal code (so-called verbal offences) should be specified and limited to cases of urging and inciting violent and anti-constitutional changes in the order, and the other offences covered by this article should possibly be regarded as an offence against the reputation of the state and its representatives and spreading lies and slander.

Serbo-Croatian Compulsory Subject in Montenegro
AU0507062989 Belgrade BORBA in Serbo-Croatian 1-2 Jul 89 p 15

[Text] Serbo-Croatian is a compulsory subject in all elementary and secondary schools in Montenegro in which lessons are conducted in Albanian.

Serbo-Croatian was first envisaged as an optional subject in secondary schools in Albanian, but after ethnic Albanian students and their parents voiced their demands to that effect, Serbo-Croatian was introduced as an obligatory subject. Albanian as an optional subject has been introduced in ethnically-mixed communities.